

centaur FINE BRITISH SUITS, JACKETS & TROUSERS FOR MEN

FINANCIAL TIMES

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WIPAC WINDSCREEN WIPERS

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NEWS SUMMARY

GENERAL BUSINESS

Carter axes Harrier funds

Iran warning

China welcome

Martial law move

Press hopes rise

Platform found

Policeman shot

Troops alert

Briefly

Chief price changes yesterday

RT Industrial Ordinary Index

Equities down 2.8; Wall St. up 8.23

Transport union leaders agree to curbs on pickets

BY ELINOR GOODMAN AND ALAN PIKE

Transport union leaders made renewed efforts yesterday to curb secondary picketing in the lorry drivers' dispute and allow the delivery of food and other essential supplies.

Editorial comment and the union's challenge to the Government Page 16

Hospitals threatened as nurses plan action

BY PAULINE CLARK AND CHRISTIAN TYLER

The unions were told that employers - particularly the local authorities - were worried about the knock-on effect for higher grades of such a pay inquiry.

RTZ cuts Australia holding

BY PAUL CHEESERIGHT

RIO TINTO-ZINC, the largest of the UK mining houses, is to reduce its holding in Conzinc RioTinto of Australia by more than a third.

Crisis round-up

STERLING closed under \$2 for first time in London since mid-December and at one stage was nearly 2 cents down before Bank of England intervened. Back Page

MOTOR INDUSTRY: Production could come to an almost complete standstill next week. I.L. has already started lay-offs.

LAY-OFFS: Wide range of manufacturing industry has now issued warnings and companies laying-off workers include Spillers, Dunlop, United Biscuits, Cadbury, Schweppes, Albright and Short, Wilson, ICI and Short Brothers. Output of chemicals and textiles industries already badly hit.

DOCKS: Services to British ports cancelled by foreign shipping companies because storage space is filling up. At least 100 British registered ships in UK ports awaiting export cargoes.

NEWSPAPERS: Several Fleet Street papers are likely to be cancelled by middle of next week if strike continues to prevent newsprint deliveries.

CHAIRMEN of eight English regional emergency committees meet Mr. William Rodgers, Transport Secretary, tomorrow to discuss transport problems.

NORTHERN IRELAND: Army started to move essential supplies of oil under state of emergency powers declared on Thursday evening.

ANIMAL FEEDS: Movement in only a few areas. In general supplies were still being blocked and pet foods are now being affected.

FOOD: Up to 70 per cent of food manufacturing industry could be shut down by the end of next week. Overall food supply position worsening, according to Ministry of Agriculture, though supplies still adequate with local shortages. Foods in short supply include canned and frozen goods, salt, coffee, biscuits, butter, margarine and oils and fats.

SUPERMARKETS: Panic buying of processed food expected to be at its peak today. Limited rationing of basic foodstuffs at some stores. Sainsbury's reported demand yesterday was 50 per cent up on a normal Friday. Full details Page 6

Train drivers re-affirm strike plans

BY PHILIP BASSETT, LABOUR STAFF

NATIONAL RAIL strikes next week by members of the train drivers' union, ASLEF, now seems certain after the union last night rejected an appeal by Sir Peter Parker, chairman of British Rail, to call off the action.

Mr. Ray Buckton, ASLEF general secretary, said after a two-hour meeting with the chairman that the strike was still on.

Sir Peter, he said, had appealed against the action but the union had argued that the productivity working party discussing the union's 10 per cent claim should be recalled.

"If finishing the work of the locomotive working party will end an industrial dispute then why don't we finish it?" Mr. Buckton asked.

Sir Peter said after the meeting that the board would do everything it could to get the working party together again.

The national strikes next Tuesday and Thursday will effectively halt all British Rail main line services from early Monday evening.

Overnight trains will not run from then, leaving rolling stock displaced on Wednesday. However, suburban services are expected to run on the day between the strikes.

The Board is looking for savings of £6.19m as a result of axing 520 drivers' jobs and 890 assistant drivers' jobs. At least part of those savings would be made available for productivity payments.

Mr. Sid Weighell, general secretary of the National Union of Railwaymen, which covers most other blue-collar rail staff as well as 3 per cent of engine drivers, said that if paid in full the savings would give increases of 52 per cent for railway workers.

Guards

In further talks next week, he added, the board would be looking for the loss of 5,000 guards' jobs. The final result of the planned manning reductions and changed work patterns could be as high as 15,000 to 20,000 lost jobs.

Payments under any productivity deal will not be made until April 23, the rail union's annual pay settlement date.

Talks on productivity arrangements for members of the NUR again took up most of the meeting yesterday.

Mr. Buckton said it was "rather a tragedy" that ASLEF had been able only to repeat what it had been putting to the board since Monday. The union



Mr. Buckton, "rather a tragedy"

is claiming increases of 10 per cent, or about £5 a week.

The talks have again highlighted the sometimes bitter rivalry between the 26,000-strong ASLEF and the larger NUR, which has about 130,000 members.

Mr. Weighell took over the NUR negotiations on Thursday, and Mr. Buckton said yesterday that the "change in personnel" had meant ASLEF could make no progress with its claim.

Mr. Weighell said that he doubted if progress could be made before the full position on productivity for all rail grades was known at the end of next week. The NUR was questioning the board's job loss and savings figures.

It was a "sheer impossibility" for the productivity problem to be sorted out in 24 hours. The NUR was trying to work out a lasting solution for all rail staff, not just solve a problem for one group of grades.

The board has offered to take all the unions to a meeting place in the country for as long as it takes to reach a solution on productivity.

But Mr. Cliff Rose, board member for industrial relations, said that there was no possibility of reaching a firm new wages agreement with train drivers before Tuesday.

Mr. Rose said that ASLEF had been able only to repeat what it had been putting to the board since Monday. The union

Table with 3 columns: Jan. 12, Previous, and a numerical value.

He that must eat a buttered faggot let him go to Northampton

Once upon a time Northampton was supposed to be the dearest town in England for fuel. The building of the canals helped to ease the situation and, in these days of high-voltage power lines, modern motorways, and North Sea Oil, the problem, if it ever existed, is now well and truly solved.

Not only does Northampton now have the power, but also knows how best it can be used. Industry has always been well established in the town and many manufacturing, distributive and office concerns have chosen its central location as the ideal for their headquarters.

With the quality of life the historic county town of Northampton offers, who needs them anyway? For further information contact Leslie Austin-Crowe, Chief Estate Surveyor, Northampton Development Corporation, 2-3 Market Square, Northampton NN1. Telephone (0604) 34734.



CONTENTS OF TODAY'S ISSUE

Table listing contents of the issue: Overseas news, UK news, Arts, Leader page, UK Money, Mining, Intl. Companies, Features, FT REPORT, Language courses.

OVERSEAS NEWS

EEC puts new curbs on aid to regions

By Giles Merritt in Brussels
NEW RULES governing the amounts of cash aid and tax relief that EEC member governments can offer companies making investments in development areas have been drawn up by the Brussels Commission.

European Socialists agree aims

By Guy de Jonquieres, Common Markets Correspondent in Brussels
THE first conference bringing together Socialist Parties from all nine EEC member countries concluded here yesterday with unanimous approval for a statement setting out common objectives in advance of direct elections to the European Parliament next June.

Although it did not commit the conference to any specific action, the fact that the statement was passed was hailed by delegates as a significant achievement, in view of the differences separating the various parties.

The British Labour Party delegation, led by Mr. Anthony Wedgwood Benn, went along with the statement, or "Appeal to the electorate," as it is entitled, after trying unsuccessfully to amend its only direct reference to the role of the future directly-elected Parliament.

The Labour representatives objected to a passage stating that the Parliament must "initially" develop within the framework of the EEC treaties and that it and other EEC institutions should assume powers currently vested in national Governments and Parliaments only with the assent of the latter.

Schmidt cautious on length of delay in introducing EMS

BY JONATHAN CARR IN BONN
CHANCELLOR Helmut Schmidt of West Germany gave no hint yesterday of an early resolution of the agriculture problem which is holding up introduction of the European Monetary System (EMS).

Steel strike 'will not hurt W. German growth'

BY ADRIAN DICKS IN BONN
HERR HELMUT SCHMIDT, the West German Chancellor, said yesterday that he was "overjoyed" at the settlement of the steel industry dispute, and appealed to German public opinion not to exaggerate the significance of the six-week dispute and the issues at stake.

Turkey aid talks start

BY OUR BONN CORRESPONDENT
WEST GERMANY and the U.S. yesterday began discussing what action could best be taken to help Turkey overcome its serious economic difficulties.

Andreotti bid to avert national strike

BY PAUL BETTS IN ROME
SIG. GIULIO ADREOTTI, the Italian Prime Minister, whose minority Christian Democrat Government has now approved its three-year economic recovery programme, held crucial talks with trade union leaders yesterday in an attempt to avert their threat of a national strike later this month.

After a Cabinet meeting over the last two days, the Government decided to hold back publication of its economic plan until next week, when it will be presented in Parliament.

U.S. jobless indicates slowing of economy

By Jurek Martin, U.S. Editor, in Washington
THE U.S. unemployment rate edged up to 5.9 per cent in December, 0.1 per cent higher than in the previous month and a probable indication of some slowing in economic activity at the end of the year.

The final quarter of 1978 turned out to be far more vigorous than had been anticipated. It is likely that real growth in the three-month period exceeded an annual rate of 4 per cent, with the result that the expected rise in unemployment was delayed.

Solomon sees SDR growth at expense of \$

By David Freud
THE U.S. is prepared to see a rundown in the role of the dollar as a reserve currency, Mr. Anthony Solomon, Under Secretary for Monetary Affairs at the U.S. Treasury, said in London yesterday.

Iraqi-French trade hope

AN INCREASE in French trade with Iraq, its second largest oil supplier, was discussed here this week during a visit by Mr. Mohieddin Ma'ruf, the Iraqi Vice-Premier.

Extra Iraqi oil supplies to France and the sale of a French nuclear reactor and arms were expected to be pursued in the next few months by the French Foreign Trade Minister, M. Jean-Francois Deniau, and the Prime Minister, M. Raymond Barre, both due to visit Baghdad.

Japan aid target ahead of schedule

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S TARGET of doubling the dollar value of its official aid over three years from the end of 1977 is likely to be achieved by the end of this year—one year ahead of schedule.

This is being forecast by officials concerned with the aid programme on the basis of aid appropriations included in the recently approved budget for fiscal 1979.

Peaceful protests in Iran

By Anthony McDermott in Tehran
MAINLY PEACEFUL demonstrations took place in several parts of Tehran yesterday in protest against the Shah and the newly-appointed Government of Dr. Shapour Bakhtiar.

Rhodesia extends military call-up to older whites

BY TONY HAWKINS IN SALISBURY
RHODESIA YESTERDAY again extended its military call-up announcing that all white men aged between 50 and 59 are to serve for 42 days a year during 1979.

Switzerland expects low growth

BY JOHN WICKS IN ZURICH
SWISS GROWTH will at the most be very small in real terms this year. This is the forecast in the annual study by the country's Working Party on the Economic Situation, prepared on behalf of the Federal Ministry for Economic Affairs and the National Bank.

Don't be left behind in 1979

At the beginning of every year the IC News Letter selects a number of shares generally best for capital gain over the following twelve months — its Star Nap Selections.

Table with columns: YEAR, FT INDEX, ICN Naps. Rows: 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, AVERAGE.

A major factor in Japan's success in stepping up aid in dollar terms has been the appreciation of the yen. This has produced a much faster increase in the value of dollar-denominated aid disbursements than would have been possible if the exchange rate had remained constant.

The rate used to compute the value of Japan's aid in 1978 (set at the beginning of the fiscal year by the Ministry of Finance) was \$1=233.4, whereas the rate on which the dollar value of 1979 disbursements will be calculated is \$1=195.

Relaxation of yen controls

BY OUR FAR EAST CORRESPONDENT
THE BANK of Japan took a first step yesterday towards dismantling the emergency controls on short-term foreign exchange movements introduced during the past 14 months.

Free yen are those held by non-residents which can be converted into other currencies without restriction. In November 1977, the Bank of Japan ruled that foreign exchange banks would have to deposit with it amounts corresponding to 50 per cent of any increase in the balances of their free yen.

Ieng Sary flees to China

PEKING — Ieng Sary, Deputy Premier in the toppled Cambodian Government of Pol Pot, yesterday drove into China, which had broken the fallen regime.

Switzerland expects low growth

BY JOHN WICKS IN ZURICH
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At the beginning of every year the IC News Letter selects a number of shares generally best for capital gain over the following twelve months — its Star Nap Selections.

Advertisement for Peak District National Park, featuring a scenic view of the park and text describing its beauty and location.

Arabic text at the bottom of the page: هكذا من الأجر

UK NEWS

December funds aid home loan success

By Michael Cassell, Building Society Correspondent

BUILDING SOCIETIES ended last year on a much brighter note than expected, with net receipts holding up in spite of the high level of Christmas consumer spending.

The societies were fearing one of the worst sets of monthly receipts for two years, but an investment upsurge in the last few days of December left them with net new funds of £254m, against £261m in November.

The total, however, was almost £200m down on the same month a year earlier and the societies face the problem of attracting sufficient funds to maintain the high levels of lending.

The December figures complete last year's picture, which proved to be the most successful period on record for mortgage loans.

Early estimates put total lending at about £8.7bn, against £6.8bn in 1977, with loans totalling 800,000 compared with 737,000 in the preceding year.

Both mortgage lending and new commitments fell substantially in December, largely due to seasonal factors.

The societies advanced £851m to home buyers, against £764m in November, while mortgage promises totalled a further £648m, compared with £720m in the previous month.

Of the £548m, the societies committed £49m for non-house purchase purposes, mainly improvement work.

Earlier last year the societies were each month committing themselves to advance over £100m on so-called peripheral lending. But this has steadily declined as funds have become more scarce, and Government limits on lending for house purchase have been relaxed.

The societies now confront an uncertain few months. The short term outlook for funds is not very encouraging and January is not expected to show much, if any, improvement over last month.

Home and car insurers hit by bad winter

BY ERIC SHORT

THIS WINTER'S severe weather, the worst since 1963, is having a significant impact on UK insurance companies.

General Accident, the biggest motor insurer in the UK and one of the leading household insurers, said yesterday that it had been inundated by a "mass of claims" from motorists, householders and owners of business premises.

The number of claims received this year was already well above normal seasonal averages, in some places by 100 per cent.

General Accident made a survey of the number and type of claims being submitted to some of its UK branches, ranging from Aberdeen to Plymouth. Each branch reported the same story. The bad road conditions and freezing temperatures, linked to the thaw, resulted in claims for motor accidents, flooding, burst pipes and split radiators.

However, the company was emphatic that much of the discomfort and inconvenience to motorists and home owners

could have been avoided if attention had been paid to the conditions. Many home claims resulted from a failure to drain boilers and pipes or to provide adequate heating while the house was unoccupied.

In some large cities many people in tenements, flats and council properties were particularly hard hit, because in some buildings it was difficult to turn off the water at the mains. In other cases flooding in top flats damaged whole buildings.

The company also condemned motorists for driving without regard to weather conditions. They were keeping too close, over-accelerating and cornering too quickly. Councils were also condemned in many areas for aggravating the situation by inadequate snow clearance and gritting arrangements.

The British Insurance Association confirmed that General Accident's experience on household claims was general throughout the insurance industry, however it believed that the high num-



Recent storm damage at Torcross, Devon

ber of accidents on the road was offset by fewer drivers using their cars during the bad weather.

The association also said that it was still too early to provide an estimate of the total cost of the bad weather to insurance companies.

Finance and the Family Page 8

U.S. Concorde link will give faster service to Europe

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and Air France, in conjunction with Braniff Airways of the U.S., yesterday started their Concorde service between Washington and Dallas/Fort Worth in Texas. Concorde will fly super-sonically from London and Paris to Washington. Then, on six days a week, Concorde will be taken over by Braniff and flown sub-sonically between Washington and Dallas/Fort Worth.

British Airways and Air France are hoping for much more from the new service. They believe that other U.S. airlines will be watching the agreement with Braniff closely, and may well also decide this year to introduce similar services with Concorde to other U.S. cities.

Concorde is prevented by law from flying super-sonically over U.S. territory. But even sub-sonically it is faster than the Boeing 747 Jumbo jet, so that any suburban services by Concorde from inland cities to New York and Washington will provide faster links to Europe.

Braniff has suggested that it may lease a Concorde and fly it super-sonically on other parts of its network, such as to

Santiago and Lima in South America, via Panama City. In addition to the Braniff agreement, British Airways is now planning with Singapore Airlines for the resumption of services to Singapore, via Bahrain, on January 24, with flights three times a week each way.

Other airlines in South-East Asia will be studying this operation.

The economic performance of the Concorde is expected to be revolutionised by the technical modifications recently made to the aircraft, including the new air intake for the engines which improves performance and saves up to 1,000 Kg of fuel on a long flight.

This will enable Concorde either to fly further with the same payload, or to carry more passengers on particularly long sectors, such as Singapore-Bahrain.

British Airways and British Aerospace estimate that out of Singapore to Bahrain Concorde will now be able to carry its full payload of 100 passengers under all but the most severe weather conditions at all times of the year.

High prices for Old Masters

CHRISTIE'S first auction of the year in New York produced some high prices for Old Master paintings. The sale totalled £1,362,542, with a reasonable 17 per cent unsold.

Top price was the £147,631 paid by Mitchell, the London dealer, for a picture of flowers in a vase by Balthezar van der Ast. The price was double the pre-sale forecast and a record at auction for the artist.

Other good prices were the £81,052, another record, paid by

SALEROOM

BY ANTONY THORNCROFT

Newhouse of New York for a still life of sweetmeats by Juan van der Hamen y Leon; £52,105 Norwegian Landscape by Jacob van Ruisdael, £49,210 from the Brod Gallery of London for a Capriccio of ancient and modern Roman buildings attributed to Victor Jean Nicolle and the same sum for an allegory of the elements by Jan Brueghel the elder and Hendrick van Balen.

Electrical engineering shows 6.7% recovery in production

BY OUR INDUSTRIAL CORRESPONDENT

RECOVERY IN production in the engineering industry last year was most marked in the instrument and electrical sectors, according to the official Journal Trade and Industry.

Output of the electrical engineering industry in the third quarter of last year was 8.7 per cent higher than the same quarter in 1977, and 2 per cent above the second quarter of last year.

Computers showed the strongest growth between the second and third quarters, with a 16 per cent rise in production, and 21.4 per cent above the third quarter index in 1977.

But telecommunications remains at a depressed level, with production falling by 6 per cent between the second and third quarters of last year.

The scientific and industrial instruments industry was largely responsible for the 1 per cent rise in production in the instrument engineering sector between the second and third quarters, consolidating a particularly strong rise in this sector in the second quarter of last year.

The latest figures show that production in the combined engineering sector is getting back to the peak levels of 1974,

although mechanical engineering is still sluggish when viewed in this longer term perspective.

Agricultural machinery and textile machinery recorded falls of 14 per cent and 10 per cent respectively in the third quarter of last year, but food processing and packaging machinery, and other non-electrical machinery, recorded rises of 6 and 8 per cent, respectively.

The returns for the industrial plant and fabricated steelwork category in the third quarter were not sufficiently firm to allow publication, but the indications are that this industry saw a large rise in the third quarter.

Prestel U.S. sale decision soon

BY JOHN LLOYD

A DECISION is expected shortly by a big U.S. communications company on the purchase of rights to market Prestel, the Post Office's viewdata system.

The most likely contender for the system is thought to be General Telephone and Electronics, the largest telecommunications company after American Telephone and Telegraph.

The company said last night that it had several discussions with Inscac, which is marketing Prestel in the U.S.

Interested General Telephone executives had been "pretty impressed" with the system, but no final decision had been taken. An announcement is likely in the next two or three weeks, it added.

Other U.S. companies, including RCA, International Telephone and Telegraph and Texas Instruments, are also reported to be interested in Prestel.

Some companies are testing a viewdata system of their own, although none has made a formal announcement.

General Telephone said that it had done some research, but it was unlikely that it would proceed further with its own system.

Plea to cut safety law breaches

MAGISTRATES DEALING with breaches of health and safety laws, as well as British industry, must "wake up and toughen up" over industrial accidents, Mr. John Grant, Parliamentary Under-Secretary of State for Employment, said yesterday.

"I really have no sympathy for those whose negligence or neglect add to the industrial accident toll."

Mr. Grant was presenting awards to employees at the Esso oil refinery at Milford Haven in a ceremony to mark ten years without an accident involving loss of working time.

Meeting to examine airline's problems

BY OUR AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is to hold a two-day "human relations" conference with senior trades unionists and staff on Thursday and Friday, to examine the airline's recurrent industrial relations problems.

The meeting will not deal with negotiations on immediate issues, such as pay and conditions of service, but with identifying and correcting what the management believes to be the underlying problems that cause disputes which are threatening the airline's prosperity.

Mr. Ross Stainton, deputy chairman and chief executive, said recently that while the airline had carried about 15m passengers last year, 2m more than in 1977, "numerous black-spots continue to plague us."

"Too many of them directly affect our customers. Too many of them are brought about by industrial action that ignores the whole machinery of consultation in British Airways in reckless pursuit of a short-term aim."

"Most of them have only the effect of making our customers miserable."

Sir Frank McFadzean, chairman, has also hit out at these recurrent industrial disputes, which in recent years have run to 80 or more in any 12-month period.

The result has been dirty aircraft, late departures (which means late arrivals at the destination), no bar service on board, and other difficulties.

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We also offer a wide range of pension contracts both for individuals and companies and manage five successful tax-exempt pension funds.

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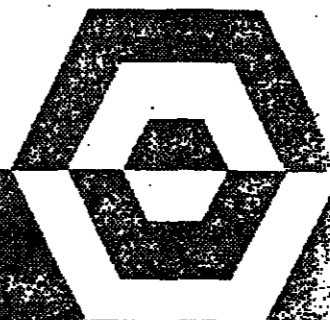
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UK NEWS

Market's wine lake undrinkable says Ministry

By John Hunt, Parliamentary Correspondent
MUCH OF the wine in the EEC "wine lake" is completely undrinkable, according to the Ministry of Agriculture...

MPs demand tougher fines on pollution risk tankers

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE UK should widen its territorial waters limit from three to 12 miles and toughen penalties against ships which create a pollution risk, according to a committee of MPs...

ships or sub-standard crews which appeared in their ports. The maximum penalty of £1,000 for ships' masters disobeying navigational rules proposed in the current Merchant Shipping Bill was far too low...

The report was critical of the decision on this matter in the last four years. It said the Department of Trade had to accept responsibility, and be given resources from the contingency fund if necessary...

Platform builders to discuss strike progress on Tuesday

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHOP STEWARDS leading the unofficial strike by 3,500 men which has halted construction on 11 North Sea oil platforms have called a meeting in Glasgow on Tuesday to consider the next move...

NALGO's Welsh campaign threatened

By Robin Reeves, Welsh Correspondent
A DECISION by the National and Local Government Officers Association (NALGO) to spend £5,000 on campaigning for a "No" vote in the Welsh devolution referendum may be the subject of a High Court injunction...

Journalists' strike looks nearer settlement

BY PAULINE CLARK, LABOUR STAFF

PROSPECTS OF an end to the national strike by journalists were significantly improved last night when agreement was reached on a no-victimisation formula...

Hoare Govett team to move

By James Bartholomew
THE ENTIRE four-man investment trust team at Hoare Govett, the stockbroking company, is to move to another stockbroker, de Zoete and Bevan...

Company faces sanctions trial

A YORKSHIRE engineering company was sent for trial by Huddersfield magistrates yesterday on six charges of breaking Rhodesian trade sanctions...

Watch 0.08 ins thick

BY JOHN LLOYD
LONGINES, one of the biggest companies in the Swiss watch industry, yesterday launched an electronic wrist watch with an overall thickness of 1.98mm (0.08 inches), thinner than the average matchstick...

Changes at Ford Motor U.S. and Europe

Mr. H. A. Polling, chairman of Ford of Europe Incorporated, has been elected an executive vice president of FORD MOTOR COMPANY in the U.S. and will be nominated for election to the main Board at the annual meeting in May...

EDUCATIONAL

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UK NEWS

THOUSANDS LAID OFF AS INDUSTRIAL SUPPLIES DWINDLE

Lorry strike brings mounting chaos

BY COLLEEN TOOMEY

THERE was little let-up in the mounting chaos across British industry yesterday, in spite of an easing of picketing by striking lorry drivers in most regions. Thousands more workers were sent home, and many more will be without work next week when companies implement contingency plans made in the face of dwindling raw material supplies.

The textile industry, one of the worst-hit sectors, was expected to have laid off up to 30,000 workers yesterday. In the South West and Wales the CBI heard that at least 20,000 workers had been given seven days notice of lay-off, but the figure could be substantially higher.

Most of the chemical industry, employing nearly 500,000 people, will have stopped production by the end of next week, the Chemical Industries Association said. Some companies have already invoked gradual run-down measures required for safe stoppage of production.

Several Fleet Street newspapers are likely to be shut by the middle of next week, if the strike continues to prevent newspaper deliveries. The unofficial strike reduced supplies, but the official strike makes the position much more difficult.

United Biscuits has laid off 4,500 workers from four factories, and Rowntree Macintosh sent home 1,000 workers after essential raw materials ran out. The company said the shortage was now so critical, all 20,000 workers would be laid off by the end of next week, if the situation did not ease.

Shoppers warned of severe shortages

By David Churchill, Consumer Affairs Correspondent

PANIC BUYING of the dwindling supply of processed food available since the lorry drivers dispute started is expected to reach its peak today. The weekend is always busiest for most food stores but supermarket chiefs believe that growing fears about the dispute worsening will force demand to record levels.

Tories to seek non-aggression pact with unions

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE NEXT Conservative Government will seek a "non-aggression pact" with the unions in key areas of national life, Mr. James Prior, Conservative spokesman on employment, said last night. "We shall try for an agreement with the unions, under which they would give up the right to strike in return for a guarantee on pay," he told a meeting of businessmen in Huddersfield.

North West forecast of 1m shut out

BY RHYS DAVID, NORTHERN CORRESPONDENT

SEVERE PRODUCTION cuts as a result of the transport drivers' strike were reported yesterday by a number of companies in the North West. The gloomiest forecast is about 1m lay-offs in the region very soon, the total predicted for the country as a whole by Mr. Denis Healey.

week at three mills as a result of the oil shortage, but expects to have all its plants operating next week until the drivers' strike begins to bite. Courtaulds warned that without further supplies lay-offs of 9,500 employees would be inevitable within the next seven days, and that the majority of the group's 105,000 UK workers could soon be affected.

One of the worst-hit sectors is textiles, where an estimated 25,000 to 30,000 workers were expected to be given lay-off notices yesterday. The industry has already been hit by the severe fuel shortages in the region where deliveries are only slowly returning to normal and now there are no supplies of vital chemicals coming from ICI and other suppliers.

There had been fears of clashes between the army - 300 extra soldiers, including drivers and other specialists - and the tanker drivers who have been picketing the North's oil refinery, the BP terminal at Sidasnam, Belfast harbour. However, the 9,000 tanker drivers, who, unlike their British counterparts, did not accept the settlement last Wednesday, decided to let in the soldiers. Today 9,000 drivers meet to consider the offer their British colleagues have accepted.

Army moves oil supplies in Ulster

By Stewart Dalby

NORTHERN IRELAND, much of it shivering in the grip of snow and ice, slid further towards paralysis yesterday, as the region's tanker drivers continued their strike, although the army began moving essential supplies of oil, under the state of emergency declared by Mr. Roy Mason, the Secretary of State, on Thursday night.

There had been fears of clashes between the army - 300 extra soldiers, including drivers and other specialists - and the tanker drivers who have been picketing the North's oil refinery, the BP terminal at Sidasnam, Belfast harbour. However, the 9,000 tanker drivers, who, unlike their British counterparts, did not accept the settlement last Wednesday, decided to let in the soldiers. Today 9,000 drivers meet to consider the offer their British colleagues have accepted.

Fuel shortage hits Midlands industries

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MIDLANDS INDUSTRY faced mounting disruption last night because of unofficial action by both road haulage and petrol tanker drivers. More than 20,000 workers are already idle and Dunlop tyres large company became the first to shut down production last night.

The regional office of the Confederation of British Industry warned that many companies are already down to 48 hours supply of heating oil. Nearly all garages in the Birmingham area are closed. In the road haulage dispute about 500 drivers voted in Birmingham yesterday to continue their unofficial strike and "bring the city to a standstill."

Over 5,000 laid off in Scottish plants

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH OFFICE set up two emergency rooms in Edinburgh and Glasgow yesterday to handle difficulties caused by the haulage dispute, which is now in its second week in Scotland and beginning to bite. Between 5,000 and 10,000 workers have been laid off and more closures are expected from Monday. The hardest hit have been the food-processing industries.

ICL has closed its nylon works at Ardeer, which employs 800, and may have to put other plants there on reduced working from next week. The company's Grangemouth complex, which produces chemicals mainly for export, may also have to reduce output. By Vehicles to lay off 700 men from its Bathgate truck and tractor factory from Monday.

SE companies escape closure

THE LATEST check of about 40 companies in London and the South East by the London Chamber of Commerce and Industry shows that there have been no closures yet.

"Most of the firms we have contacted say that they have between two and three weeks of supplies, and don't intend to lay-off any men at present," the Chamber said. The main problem affecting companies is the hold-up of supplies through the ports, and the stoppage of agricultural foodstuffs.

Wales and South-West face critical week

IN THE south west and Wales, CBI information indicated that at least 20,000 workers have been given seven days' notice of lay-off, but the actual numbers likely to be affected could well be substantially higher.

There were no reports that the union instruction to restrict picketing to the hire and reward sector of the haulage business had made any immediate difference. In Cwmbran, about 600 employees at Burton Gold Medal Biscuits, part of the Weston Group, have already been laid off because of lack of supplies of fats from Liverpool.

Feed stuffs not always let through

By Christopher Parkes

SUPPLIES of human foods and animal feeding stuffs remained blocked in many parts of the country yesterday behind "sympathetic" picket lines despite hopes and assurances that they would be freed. Although there was some movement in a few areas there were many complaints that essential raw materials were not getting through.

Curbs on picketing 'limit basic right'

BY ALAN PIKE, LABOUR CORRESPONDENT

IT COULD be argued that a basic right "peacefully to try to persuade others" was being removed if picketing were restricted to people directly involved in a dispute, the Department of Employment says in a consultative document. It keeps an "open mind" on the document, sent to interested parties recently on whether changes in the law or other measures would help solve problems of picketing.

The question is whether any change in the law will "solve fully the problems arising from the inevitable friction between two groups of people, one of which wants to do something the other wishes it not to do," the document says. The public had an interest in not having highways or footpaths obstructed, in not having nuisance "outside" homes and in the avoidance of violence.

Foreign companies cancel shipments

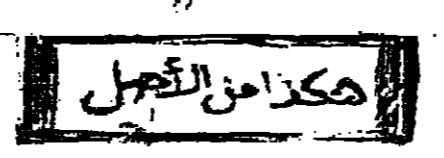
BY LYNTON McLAINE

FOREIGN SHIPPING companies cancelled services to British ports yesterday as docks in some regions reached saturation point with cargoes trapped by picketing lorry drivers. The Danish DFDS line cancelled its roll-on services between Grimsby and Scandinavia. The company's Humber terminal was blocked by imported goods including food. Exports of Danish bacon built up at the Danish port of Esbjerg.

Two Tor Line vessels were discharged at Immingham, but the goods filled all available space and the Tor terminal is now blocked. The container depot at Southampton used for trans-shipment goods from the Far East to British and continental markets reached saturation point yesterday, the British Transport Docks Board said.

British shipping companies lost at least £3m this week and the revenue lost as a direct result of the lorry drivers' dispute will double by the middle of next week if the industrial action continued, the General Council of British Shipping said. Five foreign and British vessels loaded with imports, including fresh fruit, were diverted from the port of Liverpool this week as dockside storage space filled up.

The authority told timber merchants in the South East that it was prepared to give sympathetic consideration after the dispute to companies which felt upset by the port's decision to continue quay rents for cargoes trapped by the dispute. The dispute has caused a fuel shortage on the Portsmouth-Channel Isles roll-on, roll-off service operated by British Rail Sealink. Sailings are being cut by a fifth.



THE WEEK IN THE MARKETS

The phoney war

The air may have been thick with forecasts of doom last week, with the word 'phoney' starting out from every newspaper front page, but the equity market breathed at atmosphere of phoney war. Prices were marked down a little in the absence of buyers — those who would follow the 'adage' and 'buy on a strike' were apparently waiting for a few more strikes to buy on — but there was no panic selling, something of a disappointment to investors hoping to pick up cheap stock. This is no guarantee of what may happen next week, however.

Gilts took a clearer, if still modest, turn for the worse, and prices of high-yield gilts, which more optimistic holders had supposed to be already discounting very bad news, moved up to the 131 per cent level. Sterling, which had stood up well to the Ford strike, began to weaken and the historically high real rate of return on short gilts is threatened with erosion. After all, it has been speeding up since November, according to the Price Commission Index, and estimates of the prospective average figure for wage settlements are being revised upwards as a result of the haulage strike. The major public sector wage decisions, such as for local authority workers, cannot be put off much longer. Government borrowing figures did nothing to help.

Despite this gloomy background the medium term stock Exchange 121 per cent 1985, was exhausted early in the week. It promptly fell back below its issue price. Yesterday the authorities announced the issue of a tranche of Treasury 12 per cent 1983 at 97 1/2 per cent.

Plessey pulls out

Even more surprising, perhaps, was the ease with which over 8m shares in ICL, representing the 24.4 per cent stake belonging to Plessey, were placed with institutions (and a small amount with the NEB) on Thursday at an 8 per cent discount, 415p against Wednesday's closing price of 450p, bringing in £3.5m.

Plessey had built up its strategic stake in ICL, even taking up some of GEC's £12m bid when GEC sold out in the expectation of close links between telecommunications and data processing. In the event the scope for co-operation

between the two companies did not develop in the way anticipated. Recently, too, Plessey has faced the possibility of having its holding diluted if ICL were to decide to raise money through a rights issue; Plessey would have been unlikely to subscribe to any rights offer.

Plessey was not highly geared but the sale will reduce its net borrowings to the region of £40m on shareholders' funds of £240m and should make it unnecessary for it to raise funds through a rights issue of its own at the moment.

The company claims it will have no capital gains tax to pay on the disposal as it has enough capital losses to offset the gain.

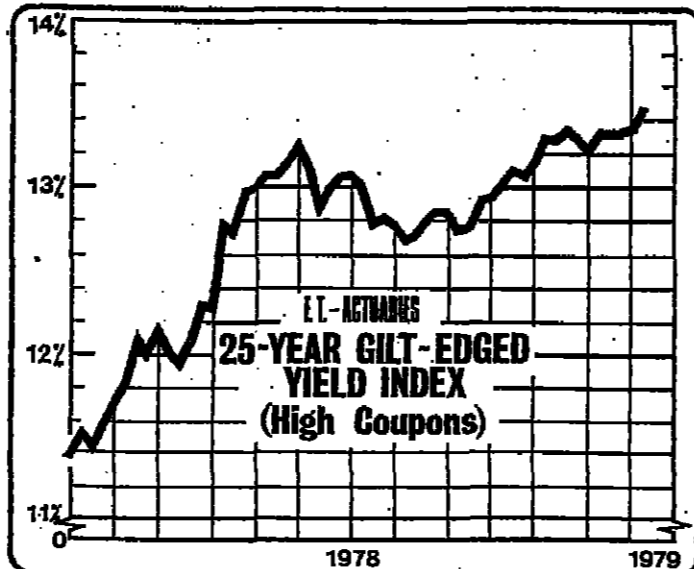
LONDON ONLOOKER

No details have been given, but presumably Garrard will contribute something. ICL sees the NEB's stake increased to 25 per cent (from 24.4 per cent, the same as Plessey's was) and the rest of the shares spread among a large number of institutions. The placing was comfortably oversubscribed, but there was subsequently some indigestion in the market and ICL shares fell back by 20p or so. Plessey held at 115p on Thursday but lost some ground yesterday.

The property company Haslemere Estates announced shareholders for £12.1m through a rights issue on Tuesday. This may turn out to be unhelpfully timed if the market turns down sharply, but Haslemere's institutional following — some of which did very nicely out of the 1975 rights issue — may be relied upon to support the issue, especially as this is one of the few property companies which could not raise money more effectively by selling off assets.

Sime steps in

Tun Tan Siew Sin, chairman of Sime Darby (Holdings) this week dismissed the idea that his company's £12m bid approach to Guthrie Corporation was at all political. 'Purely a business transaction' was how he described it. He went on to say how grate-



Erratic she goes

THE NEW YORK stock market slipped back into its well-established spluttering, volatile pattern this week resembling somewhat a highly tuned motor car fuelled by too low an octane rating. A number of individual stocks fared well as a result of good fourth quarter earnings reports and takeover bids but the market's reflexes were dulled for much of the week by an anxious anticipation of statistics on money supply and producer prices for finished goods. The gentle hum of Wall Street's electronic calculator resulted on Monday in some very pessimistic forecasts of the Federal Reserve Board's latest money supply figures, published every Thursday.

In contrast to much of last year, the various measurements of the money supply have held steady or dropped in the last

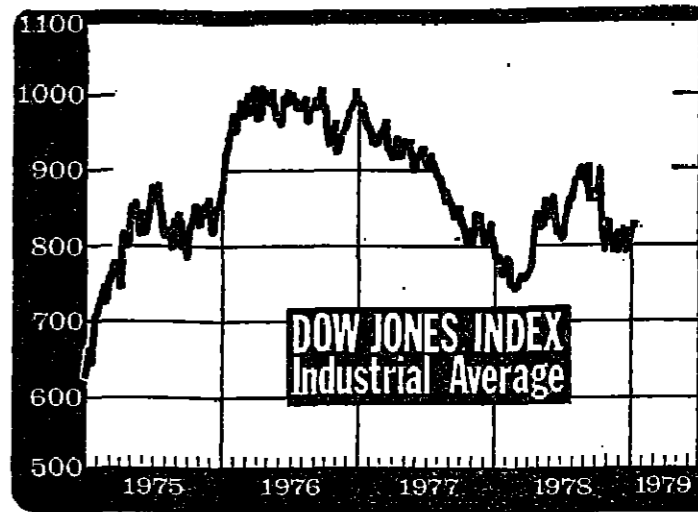
NEW YORK JOHN WYLES

13 weeks. An official report this week of a surge in some estimates went as high as \$5bn — was thought likely to raise goose pimples in the market and as a result there was some anticipatory selling of stocks in the first half of the week.

Well, at 4.10 p.m. on Thursday the Fed issued its weekly report showing that the M1 measure of currency in circulation and money in current accounts was unchanged while the broader measure M2, which includes savings deposits, rose \$500m. There are three points to be made about this: forecasting the money supply is often as difficult as predicting snow on Christmas Day, the fact that the market was apparently focusing more on M1 than anything else shows that it has been slow to change its perceptions because the introduction by the commercial banks of interest-bearing current accounts has reduced the significance of this figure, and third, a flat of declining money supply does not hold out the early prospect of a decline in short-term interest rates.

Mr. William Miller, the Fed chairman, made this very clear on Tuesday when he told a business lunch that the U.S. must stick to a tight credit policy as a vital life of attack against inflation. Before the money supply figures were out on Thursday, the Government had produced the latest grim reminder of the current U.S. inflation rate in the shape of a 9.8 per cent annual rate of increase in producer prices for December which brought the 1978 tally up to 9.1 per cent. This figure did not change its power of harm during early trading on Thursday but a recovery was launched by the foreign exchange markets' reaction to the treasury's announcement of a sale next week of Swiss franc denominated notes. The consequent strengthening of the dollar allied to the money supply figures brought a beam of sunlight into equity trading on Friday and pushed the Dow ahead more than 11 points in the first hour.

These advances and retreats again depict a market of a somewhat neurotic complexion and lacking in general direction. But some individual stocks are more obviously using the right brand of soap. A 29 per cent increase in fourth-quarter earnings added 8 1/2 to the price of Teledyne, the low profile California company with interests ranging from insurance to toothbrushes whose octagonal handles are alleged to boost their cleaning power.



CLOSING INDICES table with columns for Day, Close, and Change. Values range from 826.14 to 836.28.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM DECEMBER 14

Table of top performing sectors: Office Equipment (+9.4), Five Purchase (+6.0), Banks (+5.3), Overseas Traders (+4.5), Property (+3.6), Shipping (+3.5), All-Share Index (+0.6).

THE WORST PERFORMERS

Table of worst performing sectors: Household Goods (-0.9), Electricals (-1.5), Oils (-1.8), Contracting, Construction (-3.1), Toys and Games (-3.6).

Darby become a dominating company in Malaysia. It is already the largest company there and if it takes over Guthrie it will be a giant in relation to the rest of the corporate sector.

Reluctant Averys

There were some other developments, mostly negative, in other mooted bids. Averys turned down GEC's \$33m offer, saying it preferred to remain independent, and GEC has yet to make a counter-statement.

Johnson-Richards Tiles said it saw no merit in the approach from Norcross, and advised shareholders to take no action for the moment. J-R's case was improved by its interim figures, which show a smart advance in profits and make the Norcross offer — not yet official — look decidedly ungenerous.

On a more successful note, Letraset has now gained control of Stanley Gibbons.

MARKET HIGHLIGHTS OF THE WEEK

Table of market highlights showing price changes for various indices and stocks like AGB-Research, Ayer Hitam, ERF, Eurochem, etc.

U.K. INDICES

Table of U.K. indices showing average weekly values for Jan 12, Jan 5, and Dec 29 for various categories like Govt. Secs, Fixed Interest, etc.

Falling dollar helps diamond sales

OBSERVERS OF the international rough diamond market have had a surfeit of excitement over the last year, absorbing a succession of developments all springing from the contrast between the rising value of gem stones and the falling value of the dollar. There have been price increases and surpluses, hoarding and speculation. Senses have been dulled.

Normally the publication by De Beers of the figures for the Central Selling Organisation, which handles the movement of over 80 per cent of the world's rough gem stones on to the international market, would have been a climax to the year. In fact, the announcement this week was the confirmation of what had been expected.

The value of CSO sales in 1978 was 23 per cent higher than in 1977 at \$2.2bn (\$2.55bn) against \$1.8bn (\$2.07bn). Sales in the second half of the year were slightly higher than in the first half.

The sales were achieved against the background of unprecedented disturbance on the market. The smooth flow of stones from the producers through the CSO to the cutters, thence to the jewellery manufacturers and the retailers, was checked by hoarding in the cutting centres as a hedge against currency uncertainties. This prompted the CSO first to impose surcharges (not shown on the accompanying graph) and then, as stones began to move out of the cutting centres again, to raise list prices by 30 per cent. The rise in the sales figures clearly reflects the increase in list prices, which were probably inevitable given the fact that CSO business is quoted in U.S. dollars. Although it is difficult to be precise because of the

endless differences in size and quality of stones going on to the market, it seems that the volume of sales in 1978 was less than in 1977. A reduction in volume, however, was probably necessary if the market was to come to terms with the price rise. The fact that second half sales were higher than those in the first suggests that the market managed to absorb the rise. Apart from such technical factors, the demand for diamonds has remained strong, helped by

size will increase. Meanwhile they are waiting for CRA to commission an expert assessment of the quality of the diamonds found so far. Much has been said about, and great hopes have been pinned on, Ashton but little is known and it is still too early to decide whether the discovery will eventually lead to development of a mine.

A mine at Ashton would certainly be a valuable diversification for CRA, but the exploration there is only one part of an expansion programme. The group's freedom to follow this policy has been broadened by the grant to it of 'naturalising' status.

This means that Rio Tinto-Zinc will run down its 72.6 per cent holding over an unspecified period, allowing Australian ownership of 51 per cent of the equity. In return, the Australian Government will permit CRA to undertake new projects by itself, or with Australian companies, or with other 'naturalising' companies without reviewing each case. But this does not apply to uranium.

The Australian Government's agreement with CRA follows its announced intention to inter-pret flexibly the policy which seeks majority Australian ownership of natural resource projects. This in turn is part of a policy to encourage more foreign investment in Australia. The desire to see quicker development of the minerals industry has also been evident in the Government's cautious determination to see uranium mining start in the Northern Territory with minimum delay. This week the final approval for the development of the Ranger deposit was given to Peke-Wallend, EZ Industries and the Australian Atomic

MINING PAUL CHEESERIGHT

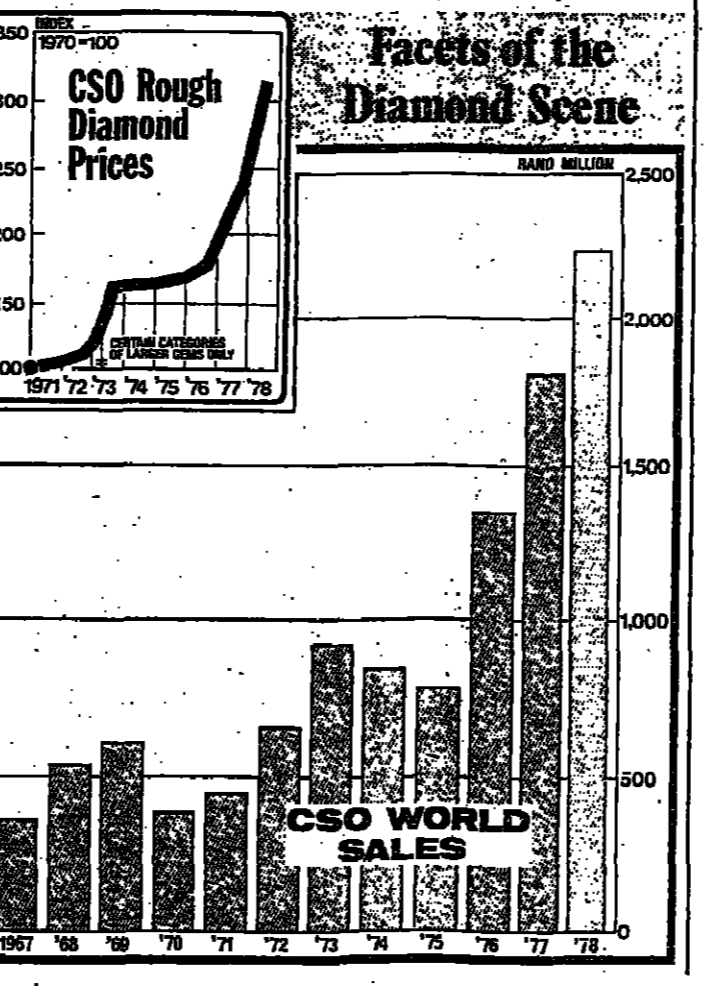
an increase in investment buying. Whether demand will continue at a high level will not be apparent until the early spring when the market emerges from a seasonally slack period.

The buoyancy of the market has been one reason for the sustained interest of investors in the diamond exploration ventures scattered around Western Australia. But the focus of attention remains the Ashton venture, led by Consine Resources of Australia, and including Ashton Mining, AQ (Australia), Tanasut Proprietary, Northern Mining and, for the moment, Sibeka. CRA's latest quarterly report from Ashton does little to solve the mystery of the discovery's value. Of course, exploration has barely scratched the surface, but the stones recovered so far have generally been small in size. Their concentration has been low by South African standards. Investors will be hoping that as sampling goes deeper the

Energy Commission. It has been a long time coming. It was four years ago that the Government and the companies signed a memorandum on financing. This provides for the AAEC to put up 72.5 per cent of the capital cost and to keep 50 per cent of the uranium oxide produced. Peke and EZ Industries said the approval was a 'major milestone'. The way has

opened up for the development of other deposits, notably Nabarlek, discovered by Queensland Mines, and Jabuluka which is held by the Pancontinental-Gitty Oil partnership.

Australian uranium should now start coming on to the international market in increasing quantities from 1983, meeting stern competition from the newly-found deposits in Saskatchewan.



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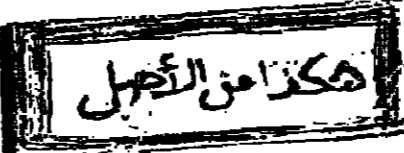
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Form for M&G investment services, including checkboxes for Index Linker Bonds, Share Exchange Scheme, Flexible Investment Bonds, and Personal Pension Plan.

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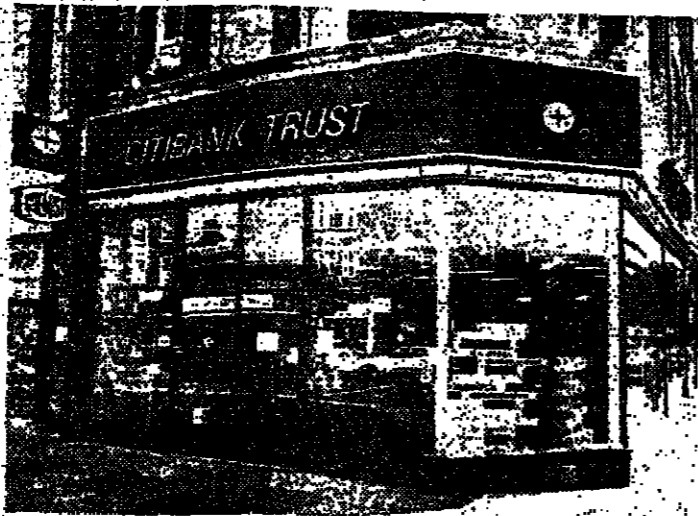
YOUR SAVINGS AND INVESTMENTS



Home buyers are snapping up expensive mortgages from American banks, writes William Hall

For a few dollars more

HAVING DIFFICULTY getting a mortgage from the Halifax or the Abbey National? If so, a phone call to the UK finance subsidiary of a North American bank could solve your problems.



Ranking in the Top 30

MORTGAGE ALTERNATIVES

In each case, the interest rate is variable

	Size of loan (£)	Term (years)	Approximate interest rate %
Citibank Trust	5,000-50,000	20	18.6
	50,000-100,000*	20	15
Boston Trust	5,000-40,000	15	19
Security Pacific	25,000-100,000	15	15-16†
Royal Trust	20,000-50,000	20	16†
Building Societies	Rarely above £20,000	25	11‡ + loading of up to 2% for large loans

* Larger loans are sometimes available

For Security Pacific, at least, second mortgage business will remain its mainstay and it is limiting its exposure to the

primary mortgage market. In common with the others, Mr. Basher denies that he intends to compete with the building societies. As his rates are at least four percentage points above the normal building society mortgage rate the average borrower wanting a £15,000 mortgage would be foolish to ask Security Pacific for a loan.

However, the combination of rapidly lengthening mortgage queues, rising house prices and the threat of a slowdown in the growth in building society savings inflows in 1979 is forcing more borrowers to look for alternative sources of funds. Building societies are currently restricted from lending more than 10 per cent of their advances for sums of over £20,000 and with house price inflation this limit will increasingly be a problem for potential borrowers. Above £25,000 some of the U.S. finance companies begin to look competitive. Whereas building societies,

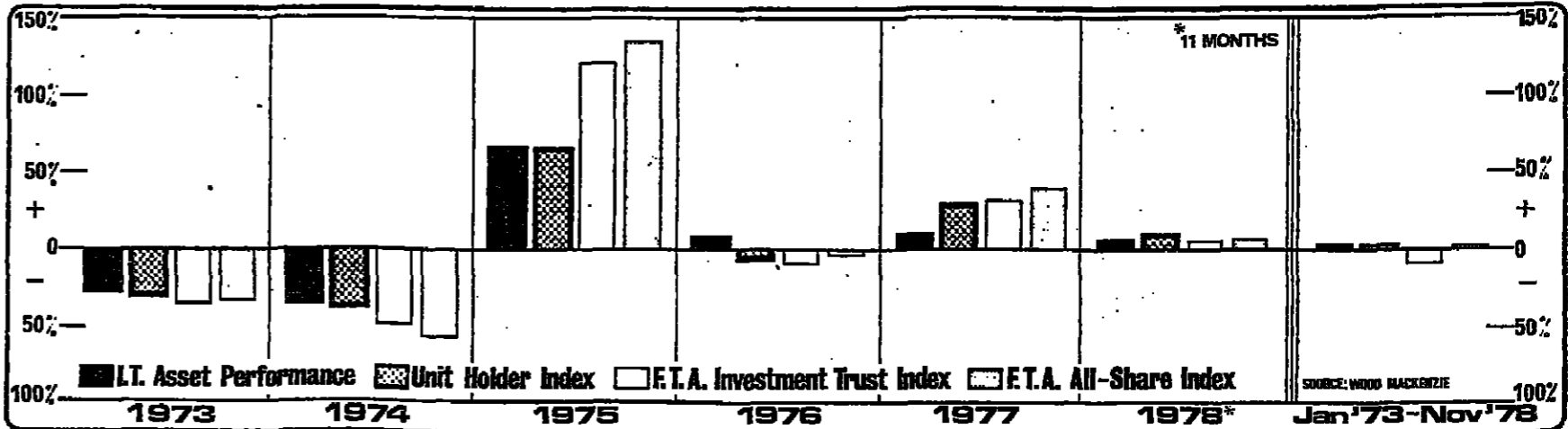
usually charge higher rates of interest for larger sums, Citibank Trust charges a lower rate since it argues that big loans are easier to administer.

Both Citibank Trust and Royal Trust have their own special mortgage rate which is linked to their cost of funds but tends to move only occasionally like

the building society mortgage rate. By contrast, Boston Trust and Savings links its lending to the Finance House base rate (set once a month) and Security Pacific links it to bank base rates.

Between them, the four North American institutions probably account for less than 1 per cent of the British mortgage market.

Over the next few years however, it seems likely that the clearing banks will start challenging the building societies near monopoly of mortgage finance. After all anyone working in the U.S. will find the local branches of Barclays Bank or Lloyds Bank falling over themselves to offer long-term mortgages to hope buyers.



Investment trusts get the verdict

Opinion

WHICH ARE the better performers—investment trusts or unit trusts? Somebody at the weekend gave the answer: "Unit trusts—by a mile." After a close look at the form book, I back investment trusts to win—by a short head. But a lot depends on where you site the starting stalls and the winning post.

After more than a century plodding round the course, the investment trust industry is still a remarkably game—if some what excitable—old nag. Judged by share price performance, it is a less reliable mount in bad going than the unit trust industry. But the unit trust industry wastes too much energy on passing investment funds and could do with a pair of blinkers to stop it being distracted by punters on the stands. Probably the best test of the

expertise of the investment trust industry is the performance of underlying assets, rather than investment trust share prices. The chart indicates that the asset performance of the investment trust industry has been better than the unit trust industry's in four of the past six years. The net result after a lot of thrills and spills on the way, has been a rise of only 3.7 per cent overall in the period. That, however, put the industry ahead of unit trusts and the market generally—the Unitholder Index showed a rise of just 3.0 per cent and the All-Share Index was up 2.0 per cent.

bear markets and rise more in bull markets. In 1974, for instance, investment trust share prices plummeted 47.5 per cent compared to a fall of 35.6 per cent for unit trust holders and 33.9 per cent for investment trusts' underlying assets. Investment trust fans got their own back in 1975 when their shares soared by 120.8 per cent compared to a rise of 65.5 per cent for unit trusts and 66.1 per cent for investment trusts' underlying assets.

What confuses many investors is that in tables of top performers, investment trusts rarely show such spectacular gains as units. But this is mainly because investment trusts, free of the marketing considerations that plague unit trusts, run better-balanced portfolios—so there is bound to be less divergence between the best and worst performers. As it happens, last year's best-performing investment trust, GT Japan, which boasted a share price gain of about 70 per cent, did better than the best performing unit trust, also a GT fund, plotting the movement of 30 blue chip shares, rose by 3.1 per cent last year, compared with a drop of 15.5 per cent for Consols, writes Eric Short. With income reinvested gross, holders of equities showed a total gain of 9.1 per cent, while holders of Consols lost 5 per cent. Treasury Bills, however, managed a gain of 8.1 per cent, reflecting high short-term interest rates.

Money Monitor

We're with the computer

Queues could soon be a thing of the past at the Woolwich building society's Bexleyheath branch. For on Monday it will become the first branch to link in with the society's new £4m computerisation scheme, which promises a dramatic cut in the time it takes to deal with investors at the counter.

The system will give counter assistants instant access to a central computer file of the accounts of the Woolwich's 1,950,000 savers. When an investor wants to withdraw some money, the assistant will be able to check immediately that his account is in funds. She simply has to key the details into a terminal by the counter and a printer will automatically up-date the investor's passbook.

Peter Beeke, the Woolwich's assistant general manager in charge of computerisation, reckons that the system will cut the average time taken for a routine transaction from about 90 to 60 seconds. Most Woolwich branches already have terminals—but they are in the back office, which means a time-consuming trip for counter assistants every time something needs checking.

The Woolwich is the first of the Big Five building societies to use counter terminals—but already a similar system is in use in some branches of the Britannia Building Society.

Taking stock

Blue chip shares were a better investment last year than gilt, cash or building societies, according to leading stockbrokers de Zoete and Bevan. Their equity price index,

the average equity dividend widened during the year. Only one company out of the 30 in the index increased its dividend by more than 10 per cent—Woolworth with a rise of only 4 per cent. By contrast, Beecham trebled its previous year's pay-out. Measured against inflation, even holders of equities lost out. The equity fell by 4.9 per cent in real terms, while Consols shed 22.6 per cent.

If income is reinvested net of basic rate tax, the equity fund showed a gain of 7.1 per cent in 1978. This was just better than the average building society investment which showed a net return of 6.3 per cent to a basic rate taxpayer.

On the income front equities turned in a strong performance with an increase of 15.5 per cent in the face of continuing dividend restraint. Even so the reverse yield gap, the difference between the consols yield and

It's a cert

The new 18th issue of National Savings Certificates, on sale from January 29, is even better than it looks. With a return of 8.45 per cent free of all tax over five years, it is, of course, a must for high rate taxpayers. But standard rate taxpayers might be tempted to put their money instead in building society term shares, currently offering 9 per cent tax-paid over three or four years. The new certificates are probably a better bet because:

- Their underlying investment performance is as good as unit trusts.
- The discount could well narrow when the penny drops with the market that recent tax changes have given investment trusts more room to manage their money effectively. There is little scope for the discount to widen because takeover bidders would appear.
- With an average yield of 5.1 per cent before tax they have an income edge over unit trusts yielding 4.8 per cent.
- The cost of getting in and out is usually lower than the 7 per cent spread of unit trusts.
- Institutional support has been stimulated by the increased weighting now given to investment trust shares in the All-Share Index. The weighting has been increased from 4.1 per cent of the index to 6.2 per cent so many fund managers who like to keep their performance in line with the index are expected to increase their holdings of investment trust shares proportionately.

EAOMNN FINGLETON



Leading Citibank Trust could rank among the top 20 UK building societies on a par with the Skipton Building Society, for example. Over the last year, Citibank has been joined by Security Pacific Finance and Boston Trust and Savings. Both of them had been doing second mortgage business but realised that there was a growing demand for ordinary home loans especially for larger sums and for slightly unusual properties which the building societies may turn down. Another institution which has spotted the potential and is lending \$5m to \$7m per annum for home purchases in the UK is the Royal Trust Company—the UK arm of Canada's largest trust company. In common with the U.S. banks, Royal Trust is very big in mortgage lending in North America but has only recently begun to flex its muscles in Britain. These institutions do not advertise their activities partly because they do not want to upset the British authorities, who still cling to the idea that the more mortgage funds available, the higher house prices will go. They also fear that they might be swamped with applicants. Citibank Trust's lending more than doubled last year and Ron Basher, the managing director of Security Pacific Finance, reckons that if his company really marketed home loans it would get more business than it could handle.

than doubled last year and Ron Basher, the managing director of Security Pacific Finance, reckons that if his company really marketed home loans it would get more business than it could handle.

TARGET GILT FUND

This could be an ideal moment to invest in Britain's first gilt-edged unit trust.

Major advantages to the private investor. Investing in gilts calls for professional expertise, a willingness to pursue an active investment policy and an ability to deal in large volume.

These essential requirements are now available to the private investor through the Target Gilt Fund.

Launched two years ago, this was the first authorised gilt-edged unit trust. It already has a proven record of success. The offer price has increased by 24% out-performing the FT Actuaries Government Securities All-stocks Index by 12%, ignoring accumulated interest.

Auspicious prospects. At the present time, the prospects for capital gains in gilts look particularly auspicious. General interest rates are already at a very high level, and if these should fall, the prices of gilts will rise.

Experienced investment advisers. King & Shaxson Fund Managers Ltd. is a subsidiary of the

Since it was launched in December 1976 Target Gilt Fund has out-performed the FT Actuaries Government Securities All-stocks Index by 12%.

London Discount House, King & Shaxson Ltd., who has been investing in the money markets for over 100 years.

Active investment policy. With their experience they seek to maximise the capital return on the funds invested and are prepared to pursue an active investment policy in order to achieve this aim. Furthermore, the investment advisers will be prepared to hold part or all of the assets of the Fund in cash on deposit from time to time when, in their opinion, this is the best course of action.

A proven policy. By laying emphasis on capital performance rather than income,

the adverse effect of the charge to corporation tax* on the income accruing to the Fund will be minimised. The success of this policy is illustrated by the Fund's proven record.

The net income from the units will not be distributed but reinvested in the Fund so adding to the value of the units. The number of units will not change. The current estimated gross annual yield is £3.00 per cent.

Remember the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

An offer to existing gilt holders. If you already hold Government Securities individually valued at £250 or more, you can exchange them for units in the Target Gilt Fund on advantageous terms.

For details send a list of your holdings to: Target Trust Managers Limited, Garrard House, 31, Gresham Street, London EC2V 7DT. 01-600 7533.

Offer of units at 124.5p until 19th January 1979

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I/We wish to invest £_____ in Target Gilt Fund at 124.5p per unit (minimum £500) and enclose a cheque made payable to Target Trust Managers Ltd.

I/We declare that I am/we are not resident outside the Scheduled Territories and I am/we are not acquiring the units as the nominee(s) of any person(s) resident outside these territories. This offer is not available to residents of the Republic of Ireland. This offer closes on 19th January 1979.

Signature(s) _____ Date _____

(If there are joint applicants all must sign and attach names and addresses separately.)

Name(s) in Full (Mr, Mrs, Miss) _____

Please write in block letters

Address _____

Please let me have details of Target Share Exchange Scheme Target Investment Scheme Target Monthly Savings Scheme

Do you already hold Target Gilt Fund units? YES/NO _____

Total Funds under management in the Target Group £125,000,000

A specialist trust from Henderson

Cabot Recovery Trust

The Case for Recovery Trusts

Recovery trusts are designed to produce above average growth over the long term through a policy of investing in those companies whose share prices are currently undervalued because of past performance, but which are expected to show an improvement in profitability.

Excellent Prospects

The reduction in the rate of inflation over the last 12 months, whilst beneficial to the British economy and partly responsible for the improved level of sterling against the U.S. dollar has substantially affected the profitability in a number of sectors of the market. Many companies in heavy industry, for instance, have had disappointing profits over the last 12 months as a result of a low level of industrial activity.

Cabot Recovery Trust

This trust is likely to be more volatile than a conventional unit trust. It is invested primarily in UK companies whose share prices have not kept pace with the general market trend as a result of difficult trading conditions but which now show positive signs of recovery in terms of profitability.

Additionally shares have been purchased in companies that may not necessarily show a profit set-back but which are expected to show a recovery in share price following a period of under performance against the market.

Certain attractively priced shares have also been selected in companies that have reduced or passed their latest dividend but which in the medium term have scope for substantial recovery.

Finally the maintenance of a high level of income will be an important consideration at all times.

Experienced Management

Investments in Cabot Recovery Trust are managed by Henderson Administration, an investment management company established in the City for the past forty years. Henderson also have particularly strong contacts in regional cities where many

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* Good level of income-estimated current gross yield 5.9% p.a.

interesting investment opportunities emerge from time to time. Henderson Administration currently manage funds in excess of £300m.

To Buy Units

Please remember that any unit trust investment should be regarded as long term, and Cabot Recovery Trust is designed for the more experienced investor. The price of units and the income from them can go down as well as up.

To invest in Cabot Recovery Trust at the current offer price of 50.8p simply return the application form below together with your remittance either direct, or through your professional adviser. This offer closes on 19th January or earlier if the offer price varies by more than 2½%.

Additional Information Units will be available after the offer closes at the normal daily price. Unit Prices and Yields are published daily in leading newspapers. Commission of 1% will be paid to recognised agents. An initial charge of 5% is included in the offer price. An annual charge of 1% (plus VAT) of the value of the trust is deducted from income to cover administrative costs. Distributions will be made on 5th April and 5th October. The first distribution on units purchased under this offer will be made on 5th April 1979.

Contract notes will be issued and unit certificates will be forwarded within six weeks of payment. If you sell units, endorse your unit certificate and send it to the Managers. Payment will normally be made within seven working days. Trustees: Williams & Glyn's Bank Limited. Managers: Henderson Unit Trust Management Limited, 22 Avenue Pierre, London EC2N 2ED. Registered Office: Registered No. 856623 England. A member of the Unit Trust Association.

To: Henderson Unit Trust Management Ltd., Dealing Dept., 5 Rayleigh Rd, Hutton, Brentwood, Essex CM13 1AA. 01-588 3622.

I/We wish to buy _____ units in Cabot Recovery Trust at the fixed price of 50.8p per unit (minimum initial investment 1,000 units)

I/We enclose a remittance of £_____ payable to Henderson Unit Trust Management Limited. After the close of this offer units will be available at the daily quoted price.

Surname: Mr./Mrs./Miss _____

BLOCK CAPITALS PLEASE

CHRISTIAN or First Name(s): _____

Address: _____

Reg. No. 856623

This offer is not available to residents of the Republic of Ireland.

Signature(s) _____ Date _____

(If there are joint applicants each must sign and attach names and addresses separately.)

Henderson Unit Trust Management

PROPERTY

A way to keep warm

BY JUNE FIELD

WHILE IT DOES NOT necessarily add to the figure you will get for your home by having double glazing, it could provide an advantage over similar property in the same price bracket whose windows are without this improvement. Double-glazing is increasingly being asked for, and could eventually become as important as whether there is a garage that goes with the property, some estate agents consider. With the cold weather conditions this winter they are finding that more and more people have suddenly become insulation-conscious. Anything that helps cut-down heat-loss is a bonus well worth having. Double-glazing isn't particularly new. As architect Martin Pawley pointed out in "Double-Glazing as an Element in Modern Architectural Design," a leading double-glazing manufacturer: "The double-glazed roof to the Camellia House built by Archduke John of Austria on his estates near Vienna in 1831, provided precisely the same advantages in terms of heat loss and fuel economy as the double-glazing units sold in tens of thousands today to house owners all over the world."

(The leaflet, which describes Alcan's testing through 17 winters in the Canadian Arctic, is available free from Peter Newman, Regional Sales Manager, Alcan Information Centre, 5 Portmore Park Road, Weybridge, Surrey.) The sealed double-glazing unit was the first major innovation to follow the introduction of double glazing itself. Before the first installation of Deutsche Tafelglas "Kudo" in German express trains in 1934, the efforts of architects had generally centred around the ventilation of the cavity between the two skins of dual-glazed windows as a means of preventing condensation from rendering them opaque. Le Corbusier himself devised a system for circulating heated air between two layers of glazing for the purpose of heating the building itself. The Glass and Glazing Federation, an organisation set up to provide a central source of advice to architects, builders and property owners on the use of glass and glazing methods, told me that over the last few weeks their office has dealt with "an enormous amount of enquiries. Because of the varied categories of their members, who are manufac-

turers, suppliers or fabricators of flat, sheet, patterned, toughened, laminated and solar-control glass in addition to mirrors, and safety as well as insulation glazing, it is difficult to pin the association down to an increased figure for double glazing alone. "Within the areas of glass and plastics usage covered, members claim a turnover exceeding £250m per annum," declares GGF director Bryan Elton, who will send a set of useful leaflets not only on the merits of double glazing, but one which draws attention to some of the unreasonable claims made in the past. There is also a useful booklet on condensation, the problems and how to reduce it. (Write or telephone GGF, 6 Mount Row, London, S.W.1. 01-629 8334.) Enquiries also receive a list of installers appropriate to their region, and it is suggested that prices are obtained from at least three members to get a comparison. Examples of existing work should be inspected too. "Free-fitting" offers should give some idea of the price quoted for labour, material, transport etc, so that you can see what you are saving.

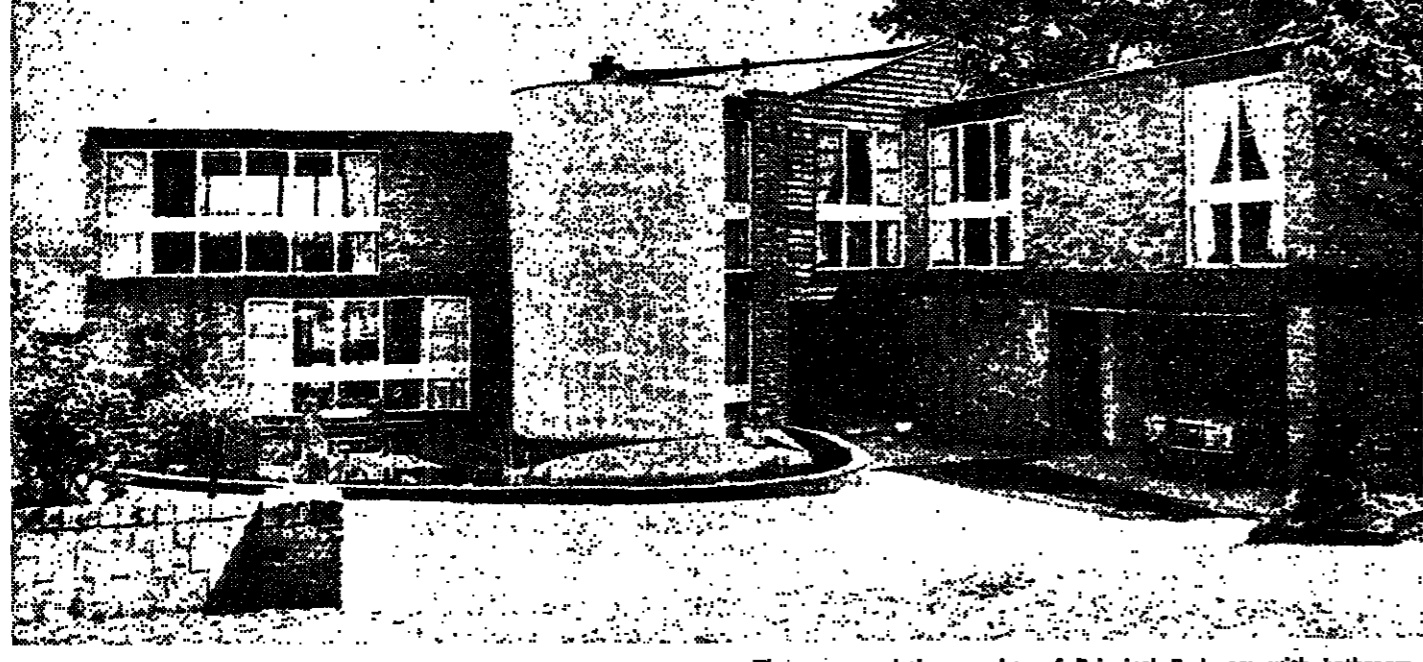


Double glazing in Sussex. Alcan installers Dave and Martin fit Alcan's aluminium-framed double-glazed sliding patio doors in place of the old rusted windows taken out of a third-floor balcony room. The door and windows on the right have still to be replaced. Enquiries Peter Newman, Regional Sales Manager, Alcan Design Centre, 5 Portmore Park Road, Weybridge, Surrey.

You are not going to get instant installation of course. Even though companies are constantly seeking business, begging you with advertisements such as "Would you like to cut your heating bills, eliminate chilly draughts, reduce noise" and so on, most firms can only quote a 12-16 weeks delivery date and then only from the time of signing the contract. (Which means your 20 per cent deposit is out for that length of time too.)

"But you can't really blame the installers for the delay," insists Mr. Herr. "They are in the hands of their suppliers, having to wait for the raw materials — glass, aluminium, wood, door locks and so on." The components are needed for new homes too, as current Building Regulations insist on double glazing in new buildings and where the ratio of window to wall exceeds a certain proportion. In Sweden triple-glazing is obligatory for all newly constructed windows, with 175mm (7 in.) of insulation in the roof. As one might imagine, shopping around for double glazing does take considerable time and effort. A colleague wanted double-glazed aluminium-framed sliding patio doors to replace old half-length rusted metal windows in a room with a balcony, a replacement double-glazed full-length glass door to another room, and framed replacement aluminium double sliding windows for a third room where the wooden lintels had rotted.

"For a while we became absolutely bogged down in such things as standard door construction. Did we want two, three or four-panel units for the patio doors? How many sliding panels? Which side did we want them to slide? With the two-panel, the fixed panel could be either on the left or the right-hand side, or both panels could be sliding. With the three-panel units, two sliding panels could be considered with one central fixed panel, or one sliding panel which locks into the central position could be combined with two fixed panels. The four-panel arrangement was different again. How many tracks? What kind of glass? Don't forget the ventilator outlets. Do you want a lock fixed? Which way should the single door open? And so on. "The permutations of fixed and sliding units for the replacement double windows were a little less confusing, but did we want a softwood or hardwood sill? As all the units are tailor-made, you must say, and have documented, exactly what you want from the start. It is no good arguing who said what when the installers arrive, and the stores depend on 100 miles away. Getting an actual written specification from the surveyor proved difficult, and as it transpired extra wood cladding had to be added outside to one lintel before the job could be completed. But it was done — the secret is not to sign the satisfaction note until you are completely satisfied. Otherwise with the best will in the world, there could be problems getting the workers back. "We were the first property in our area that the company had worked on. When our neighbours had an almost identical job done, the installers knew in advance more or less what problems could arise. Needless to say, in spite of the few set-backs, the whole operation was a tremendous success, and we were inordinately pleased with the transformation of a few sheets of glass had wrought. Everything was completed in two days, and there was only a slight tear in the wallpaper to show that large areas of glass, wood, old metal and frame had been virtually wrenched out of their sockets before replacement could begin. Total cost? Between £1,250 and £1,500



This unusual marine house which has direct river frontage of the Hamble was designed and built especially for this site for the present vendor. It has the benefit of a channel adjacent to the boundary so that a small boat can be brought close to the edge of the lawn. There are superb views over a large stretch of river. The accommodation consists of Principal Bedroom with bathroom en suite, Guest Bedroom; 4 other Bedrooms, second bathroom and cloakroom; extensive reception area. Easily maintained formal garden with adjoining saltings of about two thirds of an acre. Price £110,000 freehold. Agents Fox & Sons, 30-34 London Road, Southampton.

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RUTLAND GATE KNIGHTSBRIDGE SW1. Freehold Vacant Possession. 4 Bedrooms, 2 Bathrooms, 3 Reception Rooms, including large sun lounge, 2 patios, roof garden, garage. WHITFIELD, PRESCOTT, 36 Bedford Square, London WC1R. Tel: 01-462 7366.

TRAVEL

Away from the Costas

BY SYLVIE NICKELS

DESPITE THE odd hiccup in industrial relations and price increases reflecting inflation and rather necessary wage rises, Spain remains firmly at the tourist "top of the pops."

It is some years now since I first stumbled quite by chance upon the village of Berdun, perched upon its mound in the foothills of the Pyrenees not far from Jaca.

From the point of view of cultural interest and scenic variety, Swan Hellenic's 15-day art treasure tour of Leon and Castile looks like a winner.

not excessively so, is based at Salient in a grandiose Pyrenean setting, east for two weeks is £315 with full board in an excellent hotel and several departures throughout summer.

Heavy falls of snow in some parts of Europe and Scotland have introduced British skiers to something they rarely meet—deep snow skiing. Some may be finding it is not as easy as it looks.

Learning to live with powder

THE REALLY heavy European snowfalls this year so far has been concentrated on the north western side of the Alps in Europe.

Well, if you are a competent and relaxed skier it might be, but for the rest of us, recreational skiers who get to the slopes only briefly each year and are probably out of condition anyway, off-piste skiing needs concentration.

The basic problem for the recreational skier is that when they feel insecure in any way they tend to brake, and usually do that by digging hard with the heel of the downhill ski.

cover of deep snow. The beginner on powder cannot turn quickly enough to handle them. The essence of powder skiing lies in keeping the weight evenly balanced on both skis, and in keeping your ski tips up.

WINTER SPORTS

ARTHUR SANDLES

When venturing into deep snow for the first time, therefore, look for a broad area which will give you lots of time to think and, if you make a mistake, recover before trying again.

pack, even if it does not look particularly pretty, but in powder it is a road to disaster. Heavy pressure on one end of a ski in such conditions will whip you into an irrevocable turn so that you are almost certainly unbalanced and forced into an often uncomfortable forward fall.

SNOW REPORTS

Table with columns for location, snow depth, and conditions. Locations include EUROPE, THE U.S., and SQUAW VALLEY.

Shrubs for those confined spaces

THE JAPANESE invented the art of miniaturising trees and called it bonsai.

It is possible to have tiny trees and shrubs, even in the most restricted places by selecting kinds that are either naturally small or have acquired a reduction in size by natural causes.

GARDENING

ARTHUR HELLYER

pared what is still my "bible" on choice-rock plants, "Collectors' Alpines."



Navarra

Currency affairs

WE LOOK set for a period of uncertain currency values again. Sterling wobbled a little towards the end of the week and the value of the dollar may depend very much on stability in Iran.

TRAVEL

Advertisement for Thailand and P&O Air Holidays. Features a large image of a temple and text about holiday packages.

Advertisement for FINE VILLAS Good Service. Promotes holiday villas in France, Algarve, and Norway.

Advertisement for P&O Air Holidays featuring a large image of a tropical beach and text about holiday packages.

Advertisement for HIMALAYAS OR KENYA. Promotes trekking and holiday packages in the Himalayas and Kenya.

Advertisement for BELVILLAS and HOLIDAY VILLAS. Promotes holiday villas in various locations.

Advertisement for GARDENS & VILLAS OF TUSCANY. Promotes holiday packages in Tuscany.

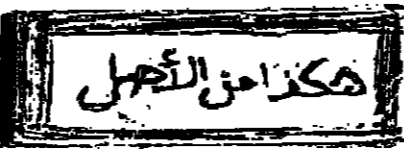
Advertisement for VENTURING. Promotes trekking and holiday packages in the Himalayas and Kenya.

Advertisement for ALGARVE. Promotes holiday packages in the Algarve region.

Advertisement for HAYES & JARVIS. Promotes holiday packages in various locations.

Advertisement for P&O Air Holidays featuring a large image of a tropical beach and text about holiday packages.

HOW TO SPEND IT



by Lucia van der Post

New designs at your feet

I FIND that it is in the winter, when I spend more time in the house, that I look at it with a more critical eye. In the summer my thoughts turn to the garden and all its inadequacies but in the dark months leading up to the spring I like to make indoors a happier, more comfortable, more interesting place. So

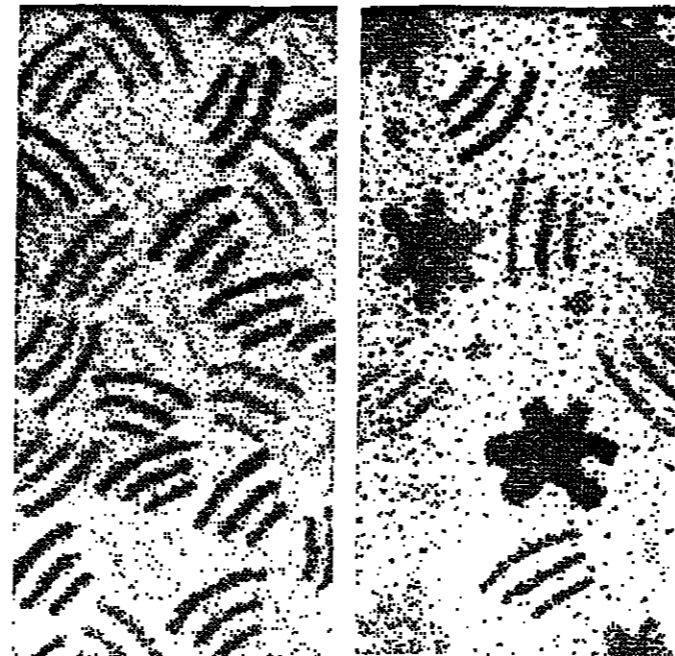
it seems a good moment to look at some of the new things that are happening in the interior design world. One especially interesting area of development is the blossoming of really good carpet design and this is what I have turned my attention to this week.



A version of Mary Quant's familiar daisy is used in this 100 per cent Dralon Axminster carpet. It comes in two colourways: cream (as here) with light brown flower and pale blue leaves, or brown, with blue flower and tan leaves.

I'M not a great lover of patterned carpets myself since I feel that a plain floor provides a much better background to most of the paraphernalia that a true home collector. However, Mary Quant has produced some of the best commercial designs that are almost enough to make me change my mind (the other carpets on this page are, of course, much more exclusive—Mary Quant's range for Templeton Carpets, for instance, costs

about £10 per sq yard). There seems almost nothing that Mary Quant cannot turn her design skills to if she really puts her mind to it. Here her brief was to produce a carpet design that was fun but did fulfil a genuine consumer demand—in other words it had to be reasonably priced (which means about £10 per square yard) and to be practical, hard-wearing and easy to clean.



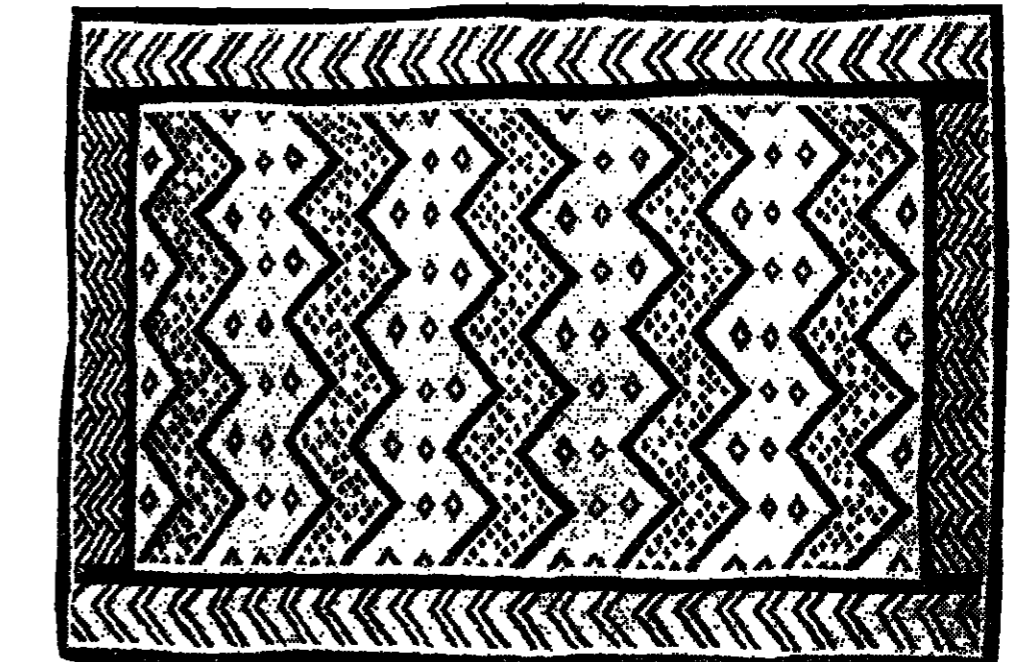
Two of Linda Barron's six designs for Afa Carpets: Curved Lines (left) and Shapes. Each design is available in three colourways: pastel, medium and strong. All the colours used are subtle and unusual, forming an attractive combination. £23.85 per linear yard

AFIA Carpets of 81 Baker Street, London W1 is one of the most enterprising carpet retailers that I know. It not only sells a marvellous range of carpets, plain, patterned and textured, but the directors are also very adventurous about backing innovative design. Elsewhere on the page I talk about the designs they commissioned from Robert Wallace, but now they are backing a young and very talented girl, Linda Barron, to explore her undoubted textile skills in the (to her) new world of carpets.

Linda Barron studied at St. Martin's School of Art, went straight on to designing for Browns of South Molton Street and then worked for the great textile experts, Missoni of Milan. Her carpet collection shows her textile background—she explores colours in a quite new way, using them rather like a kaleidoscope, so that the same colours re-arrange themselves into different compositions. Sometimes they are used in rather formal squares, other times in free and fluid curving shapes, at other times they assemble themselves into more recognisable symbols.

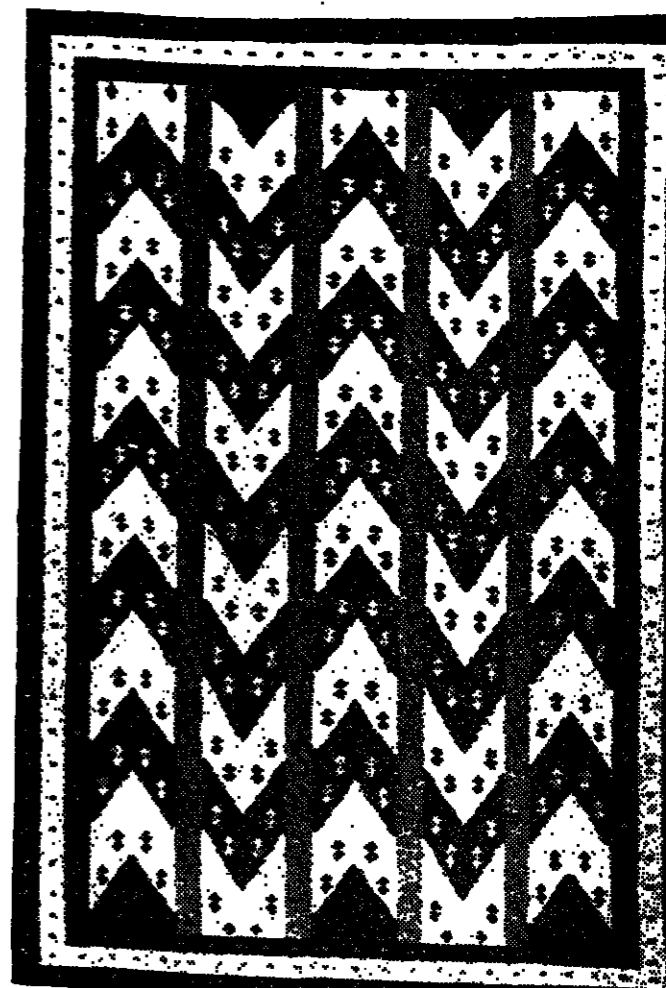
Her approach is highly individual and she takes a new, fresh and very individual look at what a patterned carpet should be. The demand for very high-quality patterned carpets is not, and is not likely to be in the near future, very high—it is a small, select market so neither Afa nor Linda Barron is likely to make a fortune out of it. However, both parties to the adventure seem to regard it as just that and are excited by the possibilities it has uncovered.

The colourways are exceedingly original (I love particularly the pale beige, creams, pinks and blues) but all six designs are available in three colour groups—pastel, medium and strong. The carpets are machine-made in a Jacquard Wilton weave and cost £23.85 per linear yard, 27 inches wide and are available only from Afa Carpets.



Casablanca, one of the designs in dhurries available from Mary Fox Linton, comes in a multitude of colours, including red, green and blue on a beige background

MARY FOX LINTON has established quite a reputation as an interior designer (for a long time she was in partnership with David Hicks). Besides her interior design work she has a small but charming shop at 1 Elystan Street, London, SW3 where a host of those original and difficult-to-track-down pieces that can transform a home can be found. She specialises in just the sort of props that one drools over in the glossy magazines and never knows where to find. Some of the nicest things to come into her shop recently is a new collection of Indian dhurries—I can't think of a more instant way of bringing panache and colour to a room. Some of the Indian dhurries are brought directly from India, in their original colourways, but others are specially coloured to her own designs. In addition anybody with a specially difficult or unusual colour scheme, can always order a dhurrie in matching colours or have one woven to specific dimensions.



Simla, also from Mary Fox Linton, is available in various colour combinations. This one is particularly striking in avocado green, blue and pink

This is a Diagem Solitaire ring

costing £59.50



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Form with fields for Name, Address, and a request for a Diagem brochure.



Beautiful wall-carpet called Kobe. Robert Wallace's design is derived from 18th Century Japanese screens. On a gold background, the irises have green stems and the flowers are in various shades of blue. 4' by 8' 4", it costs about £600

ROBERT WALLACE is an American who has become one of the world's top-class carpet and tapestry designers. He has travelled widely and his delight in the bright primitive colours of Mexico and South America is reflected in much of his work. "The colours and textures, cultures and traditions of the primitive Andean villages have had a tremendous influence on my later work," says Robert Wallace, and when you look at the whole collection the influence is clear.

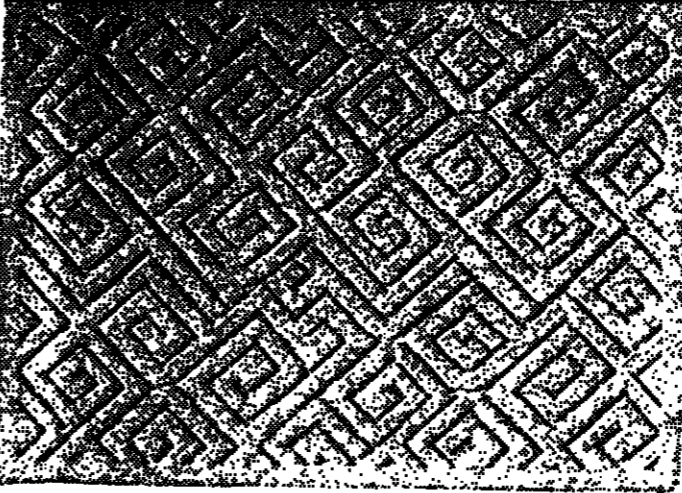
However, he is a sophisticated, modern designer and admits to many other influences in his work. He has been commissioned by the King of Nepal

to design tapestries and carpets for the Royal Palace in Katmandu; and also by the Sultan of Oman. His work can be seen in hotels and homes all over the world.

More recently he designed a special collection of exceedingly pretty carpets for Afa Carpets of 81, Baker Street, London, W1. They were all based on 18th century French designs, have the air of delicate old tapestries, and were made in fine Brussels Wilton. They're on sale still at £23.85 per linear yard, 27 inches wide.

Robert Wallace was also for many years the chief designer at the Galway factory of V'Soske-Joyce where there is produced a veritable Rolls-Royce range of carpets. All the carpets are hand-made, they can produce any pattern, any design to any colour. They do wonderful textured carpets and though I love especially the creamy self-patterned textured designs, they can also produce patterned ones, coloured or anything else that you may need to fit in your palace, yacht or modest semi.

Prices are exceedingly expensive starting at £5.00 per square foot but for this money you can be sure of getting one of the finest modern carpets avail-



Aztec, by Robert Wallace

able anywhere in the world. Robert Wallace Designs are at 1-2 Alfred Place, Store Street, London WC1 and anybody needing a special design should contact him there. In the meantime, just to give you some of the flavour of his work, photographed above is a

Robert Wallace design for V'Soske-Joyce which uses natural Berber wool in two heights of pile and is based on a design seen on an Aztec Temple wall. It measures 5ft by 7ft and is only available from Robert Wallace himself. Price is £375, to order.

PERSIAN CARPETS

Sell to us. Buy from us. Exchange for new!

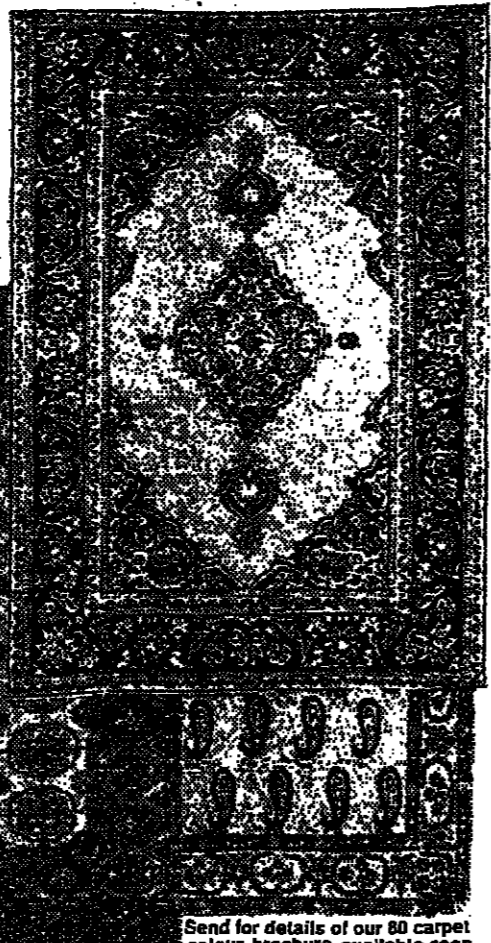
We will appraise your old Persian carpet or rug without charge and, if you wish, we will buy it from you. We give good prices and even, if yours is a little worn, it may be worth more than you think.

Or, if you prefer, you can part-exchange it for a more modern, handmade Persian or Chinese of your choice, from our vast stocks - and possibly receive a lot of money on top!

How is this possible? Because old Persians are more valuable than their more modern counterparts.

Whether you sell, buy or exchange, you will find us very fair.

Please call us.



Send for details of our 60 carpet colour brochure, available soon.

LEON NORELL The International Oriental Carpet Centre 53-79 Highgate Road, London NWS 01-485 8384 (Mon-Fri)

Decorations will be worn



READERS may remember Rose Elliott's charming 'Hotties' which I featured in October. Shown left is another of her ideas - a stunning and unusual waistcoat and matching tie. The waistcoats have either a cream or white quilted front decorated with flowers hand-printed from her own drawings; and a contrasting lining and back.

The range of colours is wide: you could have cream with more sombre colours for the back (such as olive green or grey) for winter, or white with zingy colours (bright red, sunshine yellow or blue) for the summer.

The one with a yellow back, appropriately enough features a dandelion and a buttercup, the red, an anemone and a sweet pea, and the blue, iris and narcissus.

Waistcoats in all satin cost £39, and ones with a slightly thinner lining, but still with a silky finish, cost £28.50 (both prices include p and p). They come in sizes small (8-10), medium (12) and large (14); the ties cost £9.50.

Write to Rose Elliott Textile Co., 45A Fitzroy Road, London, N.W.1., and she will send you a catalogue and swatches of fabric. Include your phone number if you would like her to discuss your order with you.

Hare brained

PERHAPS there is a hint of March madness in the air—but last week's cookery article saw a confusion of hares and leversets. Gremilins may have produced the suggestion that they were interchangeable. Writer Julie Hamilton points out that this is not so—one whole hare or two leversets are sufficient for the recipe for roast hare.

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CAVENDISH GROUP in Warner's 'Peony Garden' printed cotton Two-seater Sofa above Usual price £580 Sale price £419 Interest-free Credit Terms £45 deposit and 11 monthly payments of £34 each Other examples not shown: Three-seater Sofa Usual price £670 Sale price £499 Chair Usual price £312 Sale price £225

Banquette Usual price £125 Sale price £95 Traditional Upholstery, Third Floor. Carriage free over a wide area.

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LEISURE

BRIDGE

E. P. C. COTTER

NEITHER declarer in my two hands today saw how to bring home his contract. Let us look first at this slam hand.

Bridge hand diagram showing cards in North and South hands.

At game all South dealt and opened the bidding with two clubs to which North replied with two diamonds. South now rebid two hearts, and after North had raised to four hearts, he introduced a blackwood four no trumps. Learning from the five diamond response that his partner had the Ace of Spades, South bid six hearts.

When West led the diamond King, everything seemed plain sailing to the declarer. Winning the lead in hand, he cashed the Ace of trumps, expecting to make 12 tricks without difficulty, and led the trump Queen. Driven in, West or two rounds, East's failure to follow suit in the heart Ace was a blow. He continued with a low trump. West took his Queen, and led a third trump to dummy's ten. South's only hope now was to find West with four clubs so that he could cash four rounds and discard two of dummy's spades, which would allow him to ruff his spade losers on the table. However, West ruffed the fourth round of clubs, and the contract was lost.

South should have reasoned that only four trumps in one hand could endanger his slam, and taken suitable precautions. At trick two he must lead his nine of hearts. If West does

not take his Queen, South cashes Ace, King of hearts, and then runs his clubs, leaving West to take his Queen as and when he likes. If West takes his Queen at once and returns a trump, dummy wins, a diamond is ruffed in hand with the trump Ace, dummy is re-entered with a heart to the ten, and the last diamond is ruffed with the heart King. Declarer crosses to the spade Ace, draws West's last trump with the Knave, discarding a spade from hand, and the slam is made by dummy reversal.

Bridge hand diagram showing cards in North and South hands.

With East-West vulnerable, South dealt and bid two hearts. North said two no trumps, and raised his partner's rebid to three hearts for hearts.

Winning West's diamond Queen in hand, declarer cashed the heart Ace, crossed to dummy's ten, and led a club, guessing the Queen. As West had the King, South could not avoid losing two diamonds and a spade to go one down.

The correct play is not difficult. At trick two declarer should ruff the trump Ace to make sure there are not four trumps with one defender. Then he makes the club Ace and follows with the Queen. West wins, and the defence takes two diamond tricks, and then switch to a spade. Declarer wins with dummy's Ace, ruffs a club high in hand, returns to the table via the trump ten, ruffs another club high and crosses to the King of hearts to cash the established club, discarding his losing spade.

If South had held Ace, two of clubs instead of Ace, Queen he would surely have adopted the right line.

CHESS

LEONARD BARDEN

A CLASSIC chessboard dilemma is the choice between a safe line, keeping a draw under control, and an unclear, complicated, sacrificial attack. Should you go for the full point, the priority is eliminating the risk of defeat, or varying according to the opponent or the situation in the match or tournament?

Even the greatest masters disagree on the right answer to this conundrum. Bobby Fischer and Anatoly Karpov are ranged on the side of safety. Fischer's powers of calculation and his preference for classical open play rarely led him into obscure and random sacrifices. His advice to average players, quoted in his book "Bobby Fischer was Concentrate on material gains. Whatever your opponent gives you, take, unless you see a good reason not to. Karpov is even more than Fischer, a player who anticipates danger far in advance. Take away his king, and he is Korchnoi, the one player in the world who has regularly found a way through Karpov's defences, and the champion has rarely lost more than once or twice to any opponent. Karpov claims that the endgame is his favourite aspect of chess but that "if the opponent offers complications, I don't object."

Plenty of grandmasters take a different view. They opt for many tactics rather than simple play, trusting their analytical skills to mitigate the opponent's Korchnoi, Spassky, Barden and Tal in general prefer to stir up complications rather than risk a draw against a weaker opponent: their occasional extra loss is outweighed by a high percentage of wins.

Some specialists in tactics choose their style partly on grounds of physical stamina. Young and fit they reckon to use their fast sight of the board during the rush for the time control at move 40. The five-hour session normal in international chess means that older opponents feel the strain and fatigue just when quick reactions are vital. "I aim to reach the crisis of the game in the fifth hour" was a technique first prescribed by Spassky's trainer for his world championship matches with Petrosian. It did not prove infallible then, while in the recent match at Baguio Karpov's fifth-hour blitzing rebounded and almost cost him his title. Such an approach is better suited to tournaments than to the slower tempo of a match.

Simon Webb's excellent book of advice for average players "Chess for Tigers" recommends varying your style according to the opponent. Webb suggests a minimum risk technique against weaker opponents, waiting for their strategic errors, while against strong players he advocates randomising the position, aiming for tactical melées which are hard to calculate and where the strong opponent may overlook some hidden but vital point. In club and county chess and in weekend tournaments it is rarely possible to adapt style to opponent because too little

will be known about him. But in master chess it is possible to play the man as well as the board, and this affected move 18 of this week's game, when Gligoric gave up a pawn rather than allow Petrosian to swap queens.

His reasoning was twofold: Petrosian is ill-at-ease on the rare occasions when his opponent gets a chance to attack the king, while the setting for the game was the annual USSR v Yugoslavia match where the two boards usually agree quick draws. Thus Black was psychologically unprepared to face a war to the death, and missed the chance to refute the sacrifice on move 18.

White: S. Gligoric (Yugoslavia). Black: T. Petrosian (USSR). Opening: Grünfeld Defence (T1818 1973). 1. P-Q4, N-KB3; 2. P-QB4, P-KN3; 3. N-QB3, P-Q4; 4. PxP, Nxp; 5. P-K4, N-N3; 6. P-N3, B-N2; 7. B-QB4, P-QB4; 8. N-K2, N-B3; 9. B-K3, Q-O; 10. O-O, Q-B2; 11. R-B1, R-Q1 (an opening popularised by two Spassky v Petrosian games); 12. Q-Q2, Q-R4; 13. KR-Q1, B-Q2; 14. B-KR6, PxP; 15. BxR, KxR; 16. Q-B4!! (going for the risk play, the endgame after 16 PxP, QxQ is level); 17. QxP ch, KR1; 18. R-Q5, Q-P2? (Q-N5); 19. N-B4, QxR; 20. Nxp ch, PxN; 21. R-R5 ch, PxR; 22. QxO, B-K1! stuns the attack! 19. Q-B3; 20. N-B4, KR2; 21. Nxp! (winning for if KxN; 22. RxB, KxR; 23. Q-B7 ch with a mating attack. As played, White gets an extra pawn and wins simply); 24. R-KN1; 25. RxB, QxR; 26. BxR ch, KxR; 27. QxP, KR2; 28. NxB, R-OB1; 29. Q-Q3, Q-O3; 26. NxB, R-OB1; 27. Q-Q3, RxB; 28. RxB, PxR; 29. Q-B7 ch, KR1; 30. P-N3, P-B4; 31. K-N2, Q-B2; 32. Q-KB4, Q-B3; 33. Q-B3 ch, KR2; 34. QxKP ch, KR1; 35. Q-Q8 ch, K-N2; 36. Q-O5, Q-B2; 37. P-K5, P-B5; 38. P-K6, K-B3; 39. Q-Q7, Resigns.

Chessboard diagram for Problem No. 250, Black to move.

PROBLEM NO. 250
BLACK (8 men)

Chessboard diagram for Problem No. 250, White to move.

White mates in three moves, against any defence (by G. Heathcote, Illustrated London News, 1891).
Solutions Page 14

Success story in the salerooms

COLLECTING

JANET MARSH

THE LONDON auction houses ended the year with their usual triumphant chorus of past successes and future prospects, reviewed in two even more sumptuous annual volumes (Christie's Review of the Season; Sotheby's Art at Auction) and a battery of press releases.

Christies, taking the last three months of 1978, reckon an increase of 40.7 per cent in net sales over the equivalent period of 1977. Sotheby's, taking a four-month period, shows a figure of 38 per cent. Phillips, reviewing the whole year, show an increase of 18 per cent. The figures take in too many varied factors (such as the opening of new salerooms) to be truly comparable; but they do suggest a sharp end-of-the-year upturn in investment in antiques and fine art.

The most striking aspect of the figures is the increasingly international operation of the London houses which they reveal. For the first time Christie's overseas salerooms—in New York, Geneva, Amsterdam and Rome—have overtaken the two London salerooms in the value of sales, with a net £20,758,000 representing rather more than 50 per cent of the total (excluding house sales). Sotheby's branches in New York, Los Angeles, Toronto, Zurich, Hong Kong, Monaco and Florence, accounted for over 57 per cent of net sales during the autumn season.

Taking into account also the amount of goods sent from abroad for sale in London—no less than two-thirds of Christie's £2m Oil Master sale in July came from abroad for instance—the London salerooms appear to be handling a

staggering share of the international art market. Christopher Weston, chairman of Phillips, which has now 10 salerooms in Europe and North America, says, "There has been overwhelming evidence in the past year of the growing international nature of the saleroom business, not only in the ever increasing number of overseas buyers and vendors at Phillips sales in the United Kingdom, but in the emphasis placed on sales in the United States and Canada and on the Continent."

The strong influence of overseas buyers in markets both at home and abroad does sometimes have its drawbacks. For example, it is unwise to judge estimates for a sale purely on the prices reached for similar items in an earlier auction when exceptional figures were obtained from buyers who will not attend every auction or have a "one-off" requirement. "It is significant that British buyers have been playing an increasingly important part at our overseas sales. One English dealer told me two weeks ago that he had moved to a house just by Gatwick airport, purely so that he could fly more easily overseas sales for a day or sometimes two days at a minimum cost in time."

Increasingly the overseas sales (which include, of course, the Swiss jewellery auctions) represent the higher prices. Christie's overseas sales was

made up from only 88 sales, for instance, as against the 362 London sales which netted a slightly lower total.

The overseas sales total include some remarkable individual prices. The Gutenberg Bible sold in April by Christie's, New York, on behalf of the General Theological Seminary, New York, realised \$2,200,000 (£1,176,000) — a World record auction price for a book, and indeed for any work of art other than a painting.

Other record prices in Christie's New York saleroom during the autumn season included £440,000 for a 1928 Mondrian composition, £399,473 for a pink diamond ring of 20.82 carats, £121,000 for the autograph manuscript of Tannhäuser and £88,000 for a pair of American Queen Anne walnut chairs. In Geneva a ruby and diamond necklace given by Tsar Nicholas II to his daughter on her marriage to Alfred Duke of Edinburgh in 1874 realised £270,370. In London one of the highest prices of the season was paid for the Procaccini painting of the Madonna and Child with the Infant John the Baptist, formerly in the collection of Charles I, sold in the Old Masters sale of December 1 for £150,000. In the Commonwealth inventory of 1649 it was valued at £5.

It has been a notable year generally for Old Master paintings and drawings at auction. In June Sotheby's sold the Brancini Madonna by Giovanni di Paolo for £1m, and Dürer's "Trento landscape—the only Dürer landscape water-colour to be sold this century and the only one still in private hands—for £640,000. Both pictures came from the collection of Robert von Hirsch,



EXPERIENCE AND EXPERTISE... 362



Theodolite by J. Sisson. Sold, Thursday, February 8.

The most important surveying instrument is the theodolite. It is used to measure angles between objects in a horizontal plane, and the angles of elevation or depression of objects above or below this plane. In use, the theodolite is levelled with the aid of its own spirit levels, and the object is sighted by lining up a telescope upon it. In the field of the telescope are cross-hairs, and when the intersection of these rests precisely on the object, its angular co-ordinates can be read off the scales very accurately. Early theodolites — graphometers — circumferentors — quadrants — used open sighting devices, liable to considerable errors. It was not until the early 18th century that Sisson, a London maker, produced theodolites in a form which has changed little since then. The example illustrated, to be offered at Christie's South Kensington on February 8th, is probably one of Sisson's earlier instruments, and must have been made in the first half of the 18th century. A similar, later instrument by Sisson may be seen in the Science Museum. For further information on this sale of Scientific Instruments, Tools and Domestic and Other Equipment, please contact Christopher Proudfoot at Christie's South Kensington, 85 Old Brompton Road, London SW7 3JS. Tel: 01-581 2231. Telex: 916423.

Phillips advertisement listing various antique and art sales with dates, times, and locations. Includes items like antique decorative furniture, oil paintings, and musical instruments.

Large advertisement for 'The Oriental Carpet Centre' featuring 'Special Opening Sale' and 'Now on!'. It lists various types of carpets (Caucasian, Chinese, Persian, etc.) with prices and includes a map of the location at Bevis Marks House.

Mary Cooke Antiques advertisement for an illustrated catalogue of all types of antique silver, now available. Located at 1 Barnes High Street, London SW13 9LB.

Clubs advertisement for Redhill Modern Warehouse, approx 19000 sq. ft. to let for immediate occupation.

Pepper Angliss & Yarwood advertisement for a modern warehouse for sale or lease.

Table with 'CLASSIFIED ADVERTISEMENT RATES' showing rates for different types of advertisements.

Spencers of Retford advertisement featuring a picture of a horse and rider, with text 'A pair of Chelsea-Derby Castles' and 'To be sold on Thursday, 18th January, 1979.'

Forthcoming Sales January advertisement listing various sales events for Wednesday, Thursday, and Friday, including Victorian furniture, European ceramics, and Georgian furniture.

Sotheby's advertisement with the text 'May we remind our Clients who, for any reason, are unable to attend sales, that Sotheby's will accept bids by letter, telex or telephone.' and contact information for Sotheby Parke Bernet & Co.

Bonhams advertisement for an auction of 'EVERYDAY DRINKING WINES' including French Regional and German Wines, to be held on Tuesday 16th January at 11 am.

Investing for Security and Stability in Dutch and Flemish 17th Cent. Paintings advertisement, offering a booklet available in English and German from The Alan Jacobs Gallery.

Vertical text on the left edge of the page, including 'others', 'NEXT', 'CHOICE', and '65'.

Thorn ahead £8m but warns on second half

PRE-TAX profits of Thorn Electrical Industries expanded by £8.1m from £46.2m to £54.3m for the six months ended September 30, 1978 on turnover of £640.8m against £587.9m. Profit for the previous year was a record £110.3m on turnover of £1,099m.

In the first six months showed some improvement over the dull conditions of the previous year. All of the product groups returned increased profits, with television rental and domestic appliances contributing the major part of the improvement.

is increased from 2.45p to 3.6p net, the maximum for the year being forecast—last year's final was 9p.

Table with 3 columns: Item, 6 months, 12 months. Rows include Turnover, Home, Overseas, Less inter-dv. sales, etc.



Sir Richard Cave, chairman of Thorn Electrical Industries.

Boardman suffers £566,000 turnaround to £78,000 loss

A £566,000 first-half turnaround to a pre-tax loss is reported by K. O. Boardman International, manufacturer and importer of men's and women's clothing. However, the directors say the company has made a good start to the second six months.

been changed so that garments listed textile company Wrengrate of a 29.9 per cent stake. To be fair, the first half finished in September although subsequent drastic action has had to be taken in order to reduce stocks.

There is a tax credit of £26,558, compared to a charge of £254,013 and after extraordinary debits—nil this time, against £11,250 and minorities, the attributable loss came out at £47,701 (£192,494 profit). The loss per 5p share is shown at 0.29p, against earnings, last time, of 1.06p.

Sidlaw reduces fall to 15% at full time

A SPURT in performance in the second six months at Sidlaw Industries, as expected, regained some of the ground lost at half time when taxable profit slumped from £566,000 to £111,000. The group, whose interests include the spinning and marketing of jute, flax and synthetic yarns, had a surplus of 15 per cent lower at £1.01m, against £1.19m.

income of £62,000. The operation of Orkney and Shetland Carriers was closed in July 1978, and the investment in Seaforth Maritime was sold the following month. Both actions were accounted for in extraordinary items which amounted to a credit of £34,000 (£181,000 debit).

135p surprise first distribution from Swan Hunter's remnants

A BETTER than anticipated first distribution of 135p, or more, is likely to be made to shareholders of Swan Hunter Group, under liquidation. When the reconstruction of the company was announced in December last year an initial payment in the region of 100p was indicated and the proposed dividend allowed for a total cash payout in the range of 130p to 145p.

£708,093, to holders of the 74 per cent unsecured loan stock. £892,585 are to be made on January 27. The final approval needed for the reconstruction scheme to be completed, was given by members at yesterday's extraordinary general meeting.

shares for which listing has been granted. Dealings are expected to begin on Monday. Mr. W. J. Straker-Smith, chairman of Gosforth, said after the meeting that the policy of the Board is to pay out dividends a substantial proportion of the net earnings of the company in any accounting period.

British Dredging confident after mid-way recovery

A FIRST-HALF turnaround to a pre-tax profit is announced by British Dredging Company. The Board says its base has been achieved for profitable trading and the group faces the future with greatly increased confidence. In the half year to June 30, 1978, the company turned in pre-tax profits of £84,000 on turnover down from £7.82m to £6.04m. In the first half of 1977 it made a pre-tax loss of £153,000.

and at the year end a £314,000 loss, against a previous deficit of £1.07m. In July last year the group reached an agreement with Ready Mixed Concrete. This entitled RMC acquiring 50 per cent of the share capital of British Dredging (Sand and Gravel) and Sand and Gravel acquiring certain dredging vessels and assets from British Dredging group.

Results due next week

Grand Metropolitan preliminary results provide the main feature on next week's Stock Exchange list. Otherwise, final results are expected from Gesteiner, Tetra Pak, and Anglo Television. Anglo Television, Dixons Photographic and Magnet and Southern are due to announce interim profits.

sluggish world trade and fierce competition in certain of its markets, Gesteiner is expected to announce a preliminary pre-tax profit of around £37m on Tuesday. This is marginally down on the £38.3m earned last year. The big factor effecting the level of profits for a company with roughly 80 per cent of its turnover coming from overseas sales is the relative strength of the U.S. dollar, which gives them a decided price advantage.

to an upgrading of estimates from initial figures of around £25m or £26m (last year the actual result was £23.6m) to around £39m. Anglo Television contractors have been enjoying an advertising boom on the back of the sharp increase in consumer spending. However, there have been signs of a slowdown recently, a trend which should be confirmed next week when Tetra Pak and Anglo Television report full year profits. Analysts expect Trident to top £9m (£7.36m) after being up from £3.6m to £4.67m at halfway while they anticipate £3.5m (£2.67m) from Anella, which announced a profit increase of 50 per cent to £1.96m in the first six months.

Table of Final Dividends with columns for Company, Announcement date, Dividend (p), Last year, This year.

Table of Interim Dividends with columns for Company, Announcement date, Dividend (p), Last year, This year.

Table of Interim Figures with columns for Company, Announcement date, Dividend (p), Last year, This year.

Grange Tst. climbs to £440,000

AFTER A further improvement in the second half pre-tax profits of Grange Trust were pushed up from £378,885 to £439,823 in the year to November 30, 1978. The final dividend of 1.54p net raises the total from 2.1p to 2.4p. Stated earnings per 35p ordinary share are up from 2.36p to 2.81p and the net asset value from 88.6p to 104p.

£750m 'tap' stock issue The Bank of England yesterday announced the issue for cash of a further tranche of £750m of 12 per cent Treasury Loan 1983 at 137.25 per cent. It will be repaid par on March 17, 1983. A further £200m of the loan has been reserved for the National Debt Commissioners for public funds under their management.

BIDS AND DEALS FMC selling poultry side to Sun Valley for cash

Britain's biggest meat processing and distribution concern, FMC, is to raise up to £2.85m through the sale of its poultry division to Sun Valley Poultry—50 per cent owned by the Vestey meat and shipping group. FMC—which is more than 70 per cent owned by the National Farmers' Union—says that the cash will immediately reduce its borrowings, generating an interest saving of around £150,000 a year.

Table of Dividends Announced with columns for Company, Current payment, Date, Corro. Total, Total of spending for last year.

SIME PLANS TO EXPAND COCOA INTEREST While Sime Darby is negotiating in London to acquire a 25 per cent stake in the cocoa business, it is also seeking to expand its cocoa interests. A spokesman said yesterday that Sime is planning to buy 10,000 acres of land in Sabah for planting mainly with cocoa.

represent a major extension of its cocoa acreage. The group's cocoa output totalled 441,000 lb in the year ended June 30, 1978. The group of Sime Darby took no decisions regarding the takeover bid for Morris and Blakey Wall Papers, in which it has a 16 per cent stake.

Groewood buys £3m Duple stake

Groewood Securities—part of Eagle Star Insurance and owner of Brands Hatch racing circuit—has paid almost £3m for a 29.5 per cent stake in Duple, the coachbuilders, engineering and plastics concern. Mr. John Dams, Groewood's chairman, says this is not a prelude to a takeover bid. "We think this is a good company but we have no intention of lifting our stake above 30 per cent—at which point, under City Takeover Panel rules, we would have to launch a full-scale bid."

Willis Faber to make major statement next week

Top Lloyd's of London insurance broker Willis Faber is to make an announcement on Tuesday, which is widely expected to concern the group's relationship with one of the big U.S. insurance brokers, Johnson and Higgins. On the London stock exchange Willis Faber's shares rose 7p to 240p valuing the group at around £98m.

entering into a service agreement with the company for five years at a salary of £7,000 per annum. BURNETT AND HALLAMSHIRE BUYS LOWES Open-cast mining group, Burnett and Hallamshire, is set to double its oil distribution business with the acquisition of Lowes Oil which is based mainly in the Midlands and the South West.

Tylin, like Ellis, are specialists in environmental engineering but operate mainly in the Midlands and South of England. Established 10 years ago it has a turnover of £2.5m and employs 150 people. Under the terms of the purchase, Ellis has also acquired a major shareholding in B.L. Thermo Graphic Surveys and their subsidiaries Durotan (GB).

Rotaflex The offers by Rotaflex for the ordinary and preference capital of Lloyds have been declared unconditional. Acceptances have been received in respect of 99.5 per cent of the ordinary and 92.7 per cent of the preference. Rotaflex intends to acquire compulsorily the outstanding shares, meanwhile the offers remain open.

NEW THROGMORTON The directors of New Throgmorton Trust announce that under the terms of the trust deed, the supplemental instrument constituting the capital loan stock, the dealing subsidiary may accept by tender 30 per cent of the outstanding stock (currently £1.79m nominal), amounting to £358,487 nominal.

MYDDLETON HOTELS Acceptances of Labrore Group's offer for Myddleton Hotels preference shares have been received in respect of 97,710 shares (over 81 per cent) and the offer is now unconditional. The ordinary offer already unconditional, has been accepted in respect of 3,266,273 shares (over 91 per cent). Labrore now owns over 93 per cent of the ordinary.

ELSWICK-HOPPER Elswick-Hopper, the Humber-based light engineering company, is buying E. W. Downs and Son, a producer of potato handling and grading equipment, in a deal worth £1,000,000. The purchase is to be made through the issue of 1,969,497 new ordinary shares in Elswick. At the end of its last financial year—March 31, 1978—Downs reported profits before tax and after extraordinary items of £321.15. Net assets of Downs stood at £365,000.

ELLIS MECHANICAL BUYS TYLIN CAE Ellis Mechanical Services, heating, ventilating and air conditioning group, has purchased Tylin CAE from Tate and Lyle Refineries. The scheme is expected to come before the High Court for approval within the next month and to become effective on or about February 9.

MACKINTOSH PREF. The scheme of arrangement for the acquisition of Rowntree Mackintosh for the outstanding preference stock of John Mackintosh and Sons, has been approved by the required majority of preference holders. The scheme is expected to come before the High Court for approval within the next month and to become effective on or about February 9.

Share stakes

Farview Estates—Mr. K. J. Oliver, a director, has disposed of 10,000 ordinary shares. De Vere Hotels and Restaurants—Mr. L. Muller and Mr. A. T. W. Harvey have sold 500,000 ordinary shares out of their joint holding. Following this sale Mr. Muller's personal holding together with the joint holding with Mr. A. T. W. Harvey represents some 82 per cent of the share capital.

become interested in 407,000 shares (5.4 per cent). Rainers (Jewellers)—Scottish Amicable Life Assurance holds 1.5m shares (7.4 per cent). Rediffusion Ltd.—Philips Electronic and Assoc. Industries on January 4 increased shareholding to 8,418,000 shares, representing just over 10 per cent of the ordinary voting capital. Philips previously had a 9 per cent stake. Bernard Wardle—Birmingham and Midland Counties Trust has acquired a further 487,600 shares bringing total holding to 3,858,600 (21.4 per cent). Wearra Group—A. J. Harris, director, has sold 100,000 shares at 33p cumulative dividend and 110,000 at 33p ex dividend. All these were held as trustees without beneficial interest. Second City Properties—Mr. G. L. Johnson has sold 60,000 ordinary shares. CMA Holdings—M. M. Meredith, a director, has acquired a further 25,000 ordinary shares bringing total holding to 149,500.

United Scientific Holdings—On January 10, the family interests of Mr. D. S. Tansley, a director, has sold 1,634 preference shares and 10 ordinary shares as reported. Security growth has now

NEW LIFE BUSINESS
Equitable Life's substantial rise:
self-employed success

Another record year for new life business is reported by Equitable Life Assurance Society, the oldest mutual life company in the world. New annual premiums in 1978 increased by 23 per cent from £3.96m to £4.87m. Single premium business advanced over 60 per cent from £2.5m to £4.1m. A rise of 123 per cent...

amounting to £3.53m compared with £2.73m in 1977—a rise of 29 per cent. New sums assured were 33 per cent higher at £76m against £57m. New annual premiums in the ordinary branch improved by 44 per cent from £584,000 to £842,000, but by only 22 per cent in the industrial branch from £1.58m to £1.93m. New annual premiums on self-employed pensions were 16 per cent higher at £126,000. Gross premium income in the general branch rose by 15 per cent to £3.7m.

Take-over bids and mergers

With general investment enthusiasm dampened by the threat of a complete shutdown of industry, stock markets were featured last week by buying directed at likely bid targets. Although there is a total of £400m cash bids outstanding and in prospect, only one new name is entered in this week's table. This is Guthrie Corporation which is in talks with Stone Darby following the latter's mooted 425p per share bid.

The move comes at a time when Guthrie's attempted diversification into non-plantation activities floundered, but with a strong recovery in profits under way and a revaluation of assets already prepared, the approach can be expected to be well received. Sime has stated that the proposed merger has nothing to do with the British or Malaysian Governments, contrary to the widely held view that Malaysia is attempting to acquire control of plantations in its country. Sime and Guthrie both have extensive plantation and rubber processing interests.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings* per share (p), Dividends* per share (p). Includes Barr (A.G.), Bett Bros., Caplan Profile, Eng. Chiba Clays, Eurotherm Intl., F.N.F.C., Hickson & Welch, Ind. Newspapers, Kennam Motor, Lays Foundries, M & G Group, McCord & Co., Midland Inds., Pleasurama, Single, Westland Aircraft, Stakis (Reo).

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends* per share (p). Includes Abbey, AGR Research, Astra Intl., Black (Peter), British Cinemas, Brown & Tawse, Butterfield-Hvey, ERF Hlids., Gordon & Gotch, Halma, Henderson-Kenton, Heron Motor Grp., Hogg Robinson, Hollas Group, Johnson-Richards, Lynton (Hlids.), Negretti & Zmbrha, Ratners (Jewellers), Raybeck, RFD Group, Stroud Riley, Vita-Tex, Wigfall (Henry).

EUROPEAN OPTIONS EXCHANGE table with columns: Series, Vol., Last, Vol., Last, Vol., Last, Stock. Lists various options for companies like ABA, ABC, AXC, etc.

Bonus declarations

Equitable Life Assurance Society has announced a higher rate of interim reversionary bonus in respect of its with-profits pensions business. The new rate is 27 per cent per annum of the net premium, attaching bonuses compared with the previous rate of 25.50 per cent.

OIL AND GAS NEWS

North American search gathers pace

Petroleum Information Corporation, a Denver-based company, which follows U.S. drilling on a daily basis and provides a number of technical and support services to the petroleum industry and related businesses, says that a total of 45,700 oil and gas exploration wells were drilled in the United States during 1978—a rise of 10.7 per cent from the 41,019 wells drilled in 1977.

Crystalate forecasts sharp growth to over £1m

Record taxable profit in excess of £1m is forecast for Crystalate (Holdings) in the current year, by Mr. John Lowther, the chairman. The re-organisation at Ebonest and Greendale which were acquired last year, are progressing satisfactorily and these companies are expected to make a more positive contribution in 1979.

National & Commercial name change

To meet the requirements of impending legislation the directors of National and Commercial Banking Group are planning to change the company's name. A Bill at present before Parliament will restrict the use of the words "bank" or "banking" in the names of financial institutions to concerns which are duly authorised and carry out banking business.

RESULTS AND ACCOUNTS IN BRIEF

LAGANVALE ESTATE—Results for year to April 30, 1978, already known. Group fixed assets £238,243 (£230,427). Current assets £465,421 (£320,142). Missing: 15 Queen's Gate, S.W., January 23 at 11 am. WINDRUSH AND COMPANY (brewers)—Results for year ended September 28, 1978 already reported. Group fixed assets £7,458 (£5,358). Net current assets £287,550 (£248,801). Whitbread Investment Company holds 18.1 per cent of capital and Dutch Investment Trust, 5.43 per cent. Meeting, Weymouth January 24, at 12.30. L. B. HOLIDAY (HOLDINGS)—It is announced that the accounts for the year to June 30, 1978, of the company and subsidiary L. B. Holiday and Co. will be available at 11 am. NEW THROUGHTON TRUST—Net asset value per £ of capital loan stock 18.75p therefore the tender price is 14.45p. DOLTON TEA HOLDINGS—Approximate crop for 1978 season 325,000 kgs. (327,878 kgs. in 1977) of which 182,200 kgs. sold by November 30 at average 14.12p (£2,578,000). Meeting, Manchester, January 22 at 10.30. MARGINS HAVE, HOWEVER, SHRUNK APPRECIABLY BECAUSE OF THE IMPACT OF HIGHER PRICES FOR TEA. THIS SHOULD PRODUCE A "NOT UNSATISFACTORY" PROFIT, ALTHOUGH IT WILL BE SUBSTANTIALLY LESS THAN 1977. BARAORA TEA HOLDINGS—Approximate crop of subsidiary for 1978 season 319,718 kgs. (325,874 kgs. of which 1,516,704 kgs. sold by November 30 at average 12.17p (£2,280,000). Meeting, Manchester, January 22 at 10.30. THE TRANS-OCEANIC TRUST—Results for 1978 year already known. Investments listed in UK £18.36m (£20.36m), outside UK £18.7m (£21.2m). Net current assets £53,276 (£197,096). Company's 20 largest investments represent 35 per cent of total net assets of £30.24m. Net liquid funds up £133,000 (down £27,000). Pearl Assurance Company holds 25.7 per cent of equity. Kuwait Investment Office 9.1 per cent. and Prudential Group 7.6 per cent. Meeting, 120, Chesapeake, E.C., February 10, 30.30. HUNTSLEY (HOLDINGS) (engineering)—Results for year to August 6, 1978 reported December 16, 1978. Group fixed assets £1,071m (£942,000). Net current assets £2.5m (£2.0m). Decrease in assets £222,000 (£145,000 increase). Directors look to future with confidence. Meeting, Leeds, January 28 at 11 am. COLSON HERON ASSOCIATES (October systems and sales) announced subsidiary of CHA Group. Results for year to October 31, 1978, pre-tax profits £97,000 (£138,000). Net current assets £106,000 (£200,000). Additional UK bureau and sales offices are planned to achieve a projected turnover of £6m within next two years. HAMPTON GOLD MINING AREA—Results for year to September 29, 1978. Trading profits £277,000 (£130,000). Royalties £148,000 (£204,000); exploration costs £138,650 (£127,000). Net profit £100,000 (£47,000). Interim dividend 10p (£17,500). Recovery in sales expected in second half. Discussions with Colonial Mutual Life Assurance Society are continuing on possible takeover. CITY OF DUBLIN BANK—Results for year to September 30, 1978 already reported. Net assets £1,974.8m (£1,825.5m). Net current assets £53,87m (£18.9m). Meeting at 11 am, January 22 at 10.30. Total funds employed, £31.91m (£21.74m). Chairman says progress will continue but rate of rate

A HORROR STORY for Director/Shareholders

Table showing financial breakdown: Pre-tax profit £100,000, Less Corporation Tax 52,000, Remainder available for distribution to you 48,000, Less Personal Tax @ 98% 46,567, Net amount available for you £1,433.

CONCLUSION: Of every £100,000 of profit earned, only £1,433, or less than 1.4%, is available for you, the owners of the business, to spend.

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ALLEN HARVEY & ROSS INVEST. MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel: 01-623 8314. Index Guide as at January 11, 1979. Capital Fixed Interest Portfolio 100.24. Income Fixed Interest Portfolio 100.30.

CLIVE INVESTMENTS LIMITED. 1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-253 1101. Index Guide as at January 9, 1979 (Base 100 on 14.1.77). Clive Fixed Interest Capital 129.92. Clive Fixed Interest Income 114.69.

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LANGUAGE COURSES

Although an estimated 250,000 overseas students in Britain are learning English as a foreign language each year, the market for teaching foreign languages to British students seems at best to be steady at a lamentably low level, reports MICHAEL DIXON, Education Correspondent.

Moves to encourage interest in new skills

"WHY DO you British so insist on being amateurish?" a foreign businessman, working for an international executive-recruiting consultancy, asked not long ago.

If he has been casting this aspersions on my fellow countrymen in a general sense, I could have found arguments to rebut him. But his comment was not directed against some supposed general dilettantism among the British people. Its target was specific: our lethargic attitude to the learning of foreign languages.

As a result I had no choice but to shake my head sadly and let him wallow in his cosmopolitan linguistic superiority. For there can be little doubt that our national approach to language-learning is one of the last bastions of bad old British amateurism.

Ask anyone who has taught English to foreigners, and you will be told that by and large they take the chore seriously, being well aware that they are thereby improving their career prospects.

And although there are signs that last year the now major business represented by schools "Teaching English as a Foreign Language" (or TEFL schools, for short) experienced a steady increase in demand after its headlong increase over previous years, the market undeniably remains at a very high level.

Nobody knows how many TEFL suppliers are active in the UK. But rough estimates suggest that nearly 200 schools are open for all or most of the year, catering for perhaps 120,000 students annually, and that 2,500 or more purely seasonal operations are active during the summer, and in some instances other holidays.

Thus, a total of 250,000 students a year does not seem beyond possibility for TEFL courses in the UK, which of course excludes an unreckonable number studying English in their own countries either in private-enterprise schools or on courses subsidised by the British Council.

By contrast, the market for teaching foreign languages to British students seems at best to be steady at a lamentably low level. Moreover, there are indications that the pattern of demand which exists in this market substantiates the foreign executive-recruiter's charge that the British student's attitude is distinctly "amateurish" when compared with their foreign counterparts' career-minded approach to learning the English tongue.

To quote the words of Professor Nigel Reeves, of Surrey University's Department of Linguistic and International Studies: "There appears to be a good deal of interest among British people in picking up language skills for use on holidays abroad, as can be seen from the fairly strong demand for the study programmes provided by the BBC. But when it comes to the more serious language training, involving the taking of examinations, for instance, interest in this country seems to be declining."

Ironically, this decline is taking place even though the proportion of British school-children who undergo some foreign-language teaching at some time during their formal education has doubled over the past few years from about 40 to 80 per cent. Much of this increase has no doubt been encouraged by the provision of language courses leading to the "less academic" Certificate of Secondary Education exam. But in the other, more testing 16-plus examination for GCE Ordinary levels, entries in foreign languages have been falling as a proportion of the age-group eligible to take the exam. Nor has the increased provision of language teaching for youngsters up to the age of 16 been consolidated by a rise in the numbers continuing their linguistic studies beyond that age.

Entries in foreign languages in the GCE Advanced-level examination at 18-plus have been declining, too. At degree level, there has been a perhaps encouraging shift in demand by students, with more of them seeking courses in which a language is taught as a "tool of communication," often in combination with another subject such as political studies or economics, and fewer opting for the traditional language-degree courses with their heavy emphasis on the literature of the country concerned.

This shift, however, has not brought any significant increase in the overall demand for foreign-language studies at degree level. The total number of students so engaged has remained static since the early 1970s.

The lamentable state of linguistic affairs in full-time education is compounded by the continuing reluctance among adults in this country to undertake serious part-time studies. Some of the blame here might be ascribed to the Government's restrictions on public expenditure which have led numerous local education authorities to curtail their part-time courses.

Another portion of the blame for the evidently stagnant demand by adults for linguistic studies lies in their work, belongs to industrial and commercial employers.

Many still offer no incentive to staff to undertake the undoubted chore of language-learning, and among the companies which do provide financial encouragement, too many have left their lump-sum bonuses or salary increments for linguistically competent employees lagging far behind inflation.

Even so, there now appears to be some ground for hope. It lies most noticeably in the formation of a special working-party, under the chairmanship of the Duke of Kent, to gather evidence on the use of and need for foreign-language skills in industrial and commercial concerns.

Set up as the result of a conference held by Surrey University and the British Overseas Trade Board last May, the working party is intended to clear up the appalling national ignorance about the contribution linguistic abilities can make to an economy which depends on exporting.

Possibly the most important piece of information this group could supply is evidence that companies can improve their business overseas by having their staff learn foreign tongues, rather than sitting back and relying on their overseas customers and agents learning English.



The need for expanded and more effective education in foreign languages has become a regular feature of public speeches made by Mrs. Shirley Williams, Secretary for Education and Science.

I gather that the preliminary findings support the view that British export salesmen do find commercial life less difficult if they are proficient in French and German, particularly. On the other hand there is an impression that the material benefits of learning languages such as Arabic and Japanese are not worth the effort involved, except on the part of managers in direct contact with local labour forces.

As well as furnishing evidence simply that skills in widely spoken tongues are potentially valuable, the working party also intends to spell out what kinds of skill are most required, and how employers can most effectively encourage staff to acquire the necessary competence.

It is true that such questions have been investigated before, without any subsequent improvement in this country's language-learning efforts.

But there are two main reasons for hoping that the present working party will prove more productive. One is

that its inquiry—which will take into account expert studies also being made by Barclays International, the British Export Trade Research Organisation, and the City University Business School—promises to be the most authoritative made to date.

The other reason is that a major influence behind the latest investigation was the Department of Industry. Students of the Departmental Whitehall feel that this initiative by the DoI may well be interpreted by the Department of Education and Science as a serious threat to its territory, with a consequent increase in the DES's motivation to convert foreign-language teaching from an amateurish hotchpotch to a well directed effort in line with the country's economic interests.

It may be significant that in the past year or so the need for education in foreign languages has become a regular feature of public speeches made by Mrs. Shirley Williams, Secretary for Education and Science.

This is not to say that the State education system has so far ignored the need to promote far greater practical linguistic abilities among the coming generations.

Several local authorities have put forward recommendations for improvements including increased emphasis on the spoken, as distinct from the written, word; the establishment of a nationally recognised grading scheme for language skills similar to the system which exists for grading successive levels of proficiency in playing a musical instrument; and the design of classrooms where foreign languages are taught so as to convey to pupils the "atmosphere" of the country concerned.

But these useful proposals, like ministerial exhortations, are not sufficient to accomplish the required change. No amount of initiative by local authority officials and teachers with a particular interest in languages will do any good unless they are provided with extra money to make their ideas work.

At present the combination of restricted public spending and union demands that priority be given to the employment of teachers regardless of their subject, if anything depriving linguistic subjects of the funds

needed to make proper use of the equipment they have already.

Equally essential to any effective improvement is the establishment of far better co-ordination of the language-teaching efforts of the various parts of the education system. One reason for declining study of foreign tongues by youngsters beyond the age of 16, for example, is probably that the greater emphasis placed on practical use of the language by the new CSE and O-level examinations, has not been followed through by advanced-level exam syllabuses, which

largely retain the traditional concern with literature. Moreover, a need for a different kind of language teaching inevitably implies a need for a different kind of language teacher, which in turn requires a massive investment in retraining existing staff.

So regardless of the efforts of the latest working party to provide a blueprint for the reform of linguistic teaching in this country, the outcome will finally depend on whether or not political Government has the will to bring about radical changes in the education system's administrative structure.

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Contrast

By contrast, the market for teaching foreign languages to British students seems at best to be steady at a lamentably low level. Moreover, there are indications that the pattern of demand which exists in this market substantiates the foreign executive-recruiter's charge that the British student's attitude is distinctly "amateurish" when compared with their foreign counterparts' career-minded approach to learning the English tongue.

Table showing examination results for Elementary, Intermediate, and Advanced level examinations from 1968 to 1978. Columns include Year, Numbers entered, % passed, and All levels.

A reluctance to study

THE ACCOMPANYING table gives probably the clearest indication available of the continuing reluctance among British adults to pursue serious study of foreign languages with the aim of extending their working skills. The figures show the past 11 years' results for the language examinations conducted by the London Chamber of Commerce and Industry.

an LCCI specialist in languages, maintains that the concentration purely on the skills of speaking and listening is tailored to the needs of the bulk of linguists in industry and commerce. A study made by the London Chamber of people whose work requires general use of languages—as distinct from specialist applications such as technical translation—has shown that only 19 per cent of the relevant time is spent in reading the language and 17 per cent in writing it.

General business use is also the main criterion for the three-stage grading system. A pass at the elementary stage acknowledges that a candidate is competent enough in the language to fulfil the basic needs of life if he or she were sent to the country concerned. As a result, success at the first stage should ensure the ability to cope sensibly, if less than fluently, with simple conversation either by telephone or face to face.

from seeing that the latest years' figures are fairly high, however, I had better reveal an unpleasant fact. For the first five years covered by the table, the statistics relate solely to entries in foreign languages. But in the more recent years, the table's figures also include entrants in the chamber's English tests for people of overseas origin.

The English tests are apparently growing in popularity, especially with students of English in France and Germany, and last year accounted for 258 of the LCCI's total entries. Even so, their inclusion in the table's figures hides a discouraging decline in the number of foreign-language candidates from 1968, five years before the UK became part of the European Economic Community, to 1978.

By comparison with 1968, entries in overseas languages at elementary level were 6 per cent down at 1,107, the intermediate figure was 30 per cent lower at 468, and the advanced entry showed a 44 per cent drop to 163.

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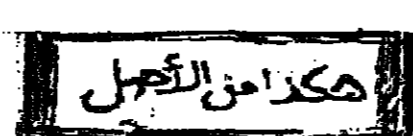
CUT CASSETTE COSTS BY UP TO 25%. Make huge savings by buying cassettes precisely wound to any length—direct from the manufacturer. Prices start as low as 14p each.

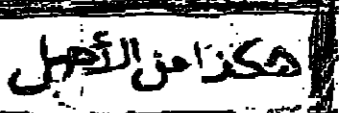
FRENCH FOR BUSINESS EXECUTIVES. on the French Riviera 4th-16th MARCH. French—in company—also available anywhere in the U.K.

WIMBLEDON LANGUAGE CENTRE. Foreign Language Courses for Businessmen. Audio-visual method, Language laboratory, Personal or group tuition.

EURO-LANG TAPES Talk Business. French, German, Spanish, Italian, English. EURO-LANG TAPES KNOWLEDGE SOLID KNOWLE 4452.

THE SPANISH INSTITUTE. 102 EATON SQUARE SW1. TERM STARTS JANUARY 15th. All level courses in Spanish language and culture, literature, music, visual arts.





Pemex offered Spanish stake

PEMEX, Mexico's National Oil Corporation, has been offered a 15 per cent stake in Petronor...

FOREIGN TAKEOVERS IN AUSTRALIA

A contrast in attitudes

THE Australian Government's approval of the A\$41.75m (U.S.\$48m) bid for Sola Holdings...

Pension fund backs Volvo

THE BOARD of the Fourth National Pensions Fund, which holds 5.2 per cent of the Volvo shares...

up to a maximum of 90 days to give the Government time to make a more detailed investigation of the proposal.

PLATINUM One of the world's most strategic metals

Dr. Fred Collender, B.Sc. (Eng.) internationally recognised as a leading authority on precious metals and a Director of commodity brokers M.L. Duxford & Co. Ltd.

The First Viking Commodity Trusts. Commodity OFFER 36.1 Trust BID 35.4 Double OFFER 49.5 Option Trust BID 47.0

Unisec group simplifies control structure

UNISEC, the South African investment group, has reached agreement with the South African Reserve Bank on the means of tidying up its control structure.

Philips Nederland growth threatened by increasing costs

PHILIPS NEDERLAND, the domestic sales organisation of the international electronics group, must achieve a higher rate of growth this year than in 1978...

Heineken sales support steady profits expansion

SALES AT Heineken the Dutch beer, spirits and soft drinks group, in the first three months of the current year supported the profits forecast made in the annual report...

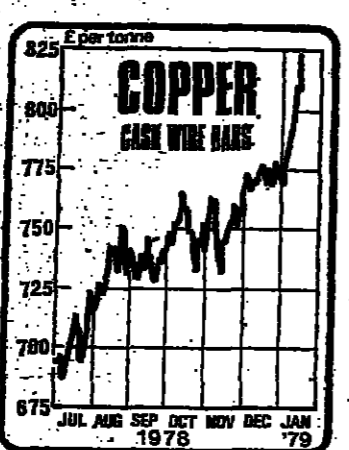
Landis plans rights issue

ZUG - Landis und Gyr, the Swiss electrical engineering concern, intends to pay an interim dividend of Sfr 20 per share...

COMMODITIES/Review of the week

Lead prices soar to new peak

LEAD PRICES soared to record levels on the London Metal Exchange yesterday as the "squeeze" on available supplies tightened...



Dealers responded by marking prices lower and by the close May delivery cocoa futures were quoted at \$1,918.25 a tonne...

BASE METALS

COPPER - Gained ground in active trading on the London Metal Exchange, following forecasts of a substantial fall in warehouse stocks over the week...

SILVER

SILVER was fixed 1.05p an ounce lower on delivery in the London market yesterday...

MEAT/VEGETABLES

SMITHFIELD (pence per pound) - Chickens 2 to 6 (28 to 33), Capons over 5 lb 38 to 40, Ducks 4 to 6 over 5 lb 38 to 40...

AMERICAN MARKETS

NEW YORK, Jan. 12. Copper - Jan. 72.10, Feb. 72.00, Mar. 71.50, Apr. 71.00, May 70.50, Jun. 70.00, Jul. 69.50, Aug. 69.00, Sep. 68.50, Oct. 68.00, Nov. 67.50, Dec. 67.00...

EUROPEAN MARKETS

PARIS, Jan. 12. Sugar (FFr per 100 kilos) - March 226.00, May 226.00, July 226.00, Sept. 226.00, Nov. 226.00, Dec. 226.00...

INDICES

Table with columns for FINANCIAL TIMES, DOW JONES, and MOODY'S indices for various months.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Wheat, Rice, Oil, and Metals.

COCOA

A satisfactory Ghana purchase figure (11,628 tons) caused Commission House liquidation to be a factor in the demand for cocoa futures...

COFFEE

ROBUSTAS steadied to last night's close in hesitant trading, Drexel Burnham Lambert reports. News of lower offering from Columbia was more than offset by the weakness of Sterling and the market remained firm.

SOYABEAN MEAL

Physical closing prices (cents) - Soyabean meal 15.75, Soyabean meal 15.75, Soyabean meal 15.75...

SUGAR

LONDON DAILY PRICES (raw sugar) - 234.00 (same) a tonne off for Nov.-Dec. shipment. White sugar daily price was fixed at 225.00 (\$24.00).

GRAINS

LONDON FUTURES (GAPFA) - Grains opened low lower on wheat and barley old crops. Barley again saw good commercial selling of old crop...

ZINC

ZINC - Official - Unofficial - Cash - 299.50 +0.25 - 299.50 +0.25 - 299.50 +0.25...

Haulage bosses urged to stick on 15% offer

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE Road Haulage Association was urged by the Confederation of British Industry last night not to raise the 15 per cent pay offer made to the striking lorry drivers.

Food council blames outside influences

BY CHRISTOPHER PARKES

THE HAULERS' picketing which has severely hit the UK food industry in the past few days was engineered by people outside the official union movement, Sir Hector Laing, chairman of the Food and Drink Industries Council, alleged yesterday.

Educational information network established

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

BRITAIN is to spend £35,000 a year on an information centre as part of a network being established throughout the nine EEC countries for the exchange of data on educational matters.

Cigarette price rise

BY OUR CONSUMER AFFAIRS CORRESPONDENT

PRICES of five cigarette brands manufactured by Carerras Rothmans are going up by 1p. The increase, which has been given the go-ahead by the Price Commission, is the second in six months.

Brand new market system. Years of experience have gone into the use of a new market system that has produced a steady stream of profits during 1973. We see no reason why its success should not continue into 1974.

YOUR CAPITAL GAIN DURING THE PAST 30 DAYS £20,000? £10,000? £5,000? NIL? If you are one of those investors who timidly go to ground whenever a "bear" market shows itself, your capital gains over the past 30 days are likely to have been nil.

Stock Exchange dealings

Table with columns for Thursday, January 11, Wednesday, January 10, Friday, January 5, and Thursday, January 4. Lists various stock indices and their values.

The list below records all fast Thursday's marking and also the latest markings during the previous four trading days of any share not marked on Thursday. The latter can be distinguished by the star (*) in parentheses.

The list below gives the prices at which bargains done by members of the Stock Exchange have been recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done.

Table with columns for Breweries (114), Commercial (2,331), and Public Bonds (27). Lists various companies and their stock prices.

Table with columns for Free of Stamp Duty and Public Bonds (27). Lists various companies and their stock prices.

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Table with columns for E-F, G-H, and I-J. Lists various companies and their stock prices.

Table with columns for K-L, M-N, and O-P. Lists various companies and their stock prices.

Table with columns for Q-R, S-T, and U-V. Lists various companies and their stock prices.

Table with columns for W-X, Y-Z, and AA-AB. Lists various companies and their stock prices.

Table with columns for AC-AD, AE-AF, and AG-AH. Lists various companies and their stock prices.

Table with columns for AI-AJ, AK-AL, and AM-AO. Lists various companies and their stock prices.

Table with columns for AP-AQ, AR-AS, and AT-AU. Lists various companies and their stock prices.

Table with columns for AV-AW, AX-AY, and AZ-BA. Lists various companies and their stock prices.

Table with columns for BB-BC, BD-BE, and BF-BG. Lists various companies and their stock prices.

Table with columns for BH-BI, BJ-BK, and BL-BM. Lists various companies and their stock prices.

Table with columns for BN-BO, BP-BQ, and BR-BT. Lists various companies and their stock prices.

Table with columns for BU-BV, BW-BX, and BY-BZ. Lists various companies and their stock prices.

Table with columns for CA-CB, CC-CD, and CE-CF. Lists various companies and their stock prices.

Table with columns for CG-CH, CI-CJ, and CK-CL. Lists various companies and their stock prices.

Table with columns for CM-CN, CO-CP, and CQ-CR. Lists various companies and their stock prices.

Table with columns for CS-CT, CU-CV, and CW-CX. Lists various companies and their stock prices.

Table with columns for CY-CZ, DA-DB, and DC-DD. Lists various companies and their stock prices.

Table with columns for DE-DF, DG-DH, and DI-DJ. Lists various companies and their stock prices.

Table with columns for DK-DM, DN-DO, and DP-DQ. Lists various companies and their stock prices.

Table with columns for DR-DS, DT-DU, and DV-DW. Lists various companies and their stock prices.

Table with columns for DX-DY, DZ-DA, and DB-DC. Lists various companies and their stock prices.

Table with columns for DD-DE, DF-DG, and DH-DI. Lists various companies and their stock prices.

Table with columns for DJ-DK, DL-DM, and DN-DO. Lists various companies and their stock prices.

Table with columns for DP-DQ, DR-DS, and DT-DU. Lists various companies and their stock prices.

Table with columns for DV-DW, DX-DY, and DZ-DA. Lists various companies and their stock prices.

Table with columns for DB-DC, DD-DE, and DF-DG. Lists various companies and their stock prices.

Table with columns for DH-DI, DJ-DK, and DL-DM. Lists various companies and their stock prices.

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Table with columns for DZ-DA, DB-DC, and DD-DE. Lists various companies and their stock prices.

Table with columns for DF-DG, DH-DI, and DJ-DK. Lists various companies and their stock prices.

Table with columns for DL-DM, DN-DO, and DP-DQ. Lists various companies and their stock prices.

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Financial Times Saturday January 13 1979

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CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 12 1/2 per cent (since November 9, 1978). The Treasury bill rate rose to 11.85 per cent at yesterday's tender to 11.785 per cent and the minimum accepted bid for 91-day bills fell to 5.97 from 5.974 the previous week. Bids at that level were met as to about 41 per cent and all bills offered were allotted. Applicants for 92-day bills were received at 5.973 and above in full. The £300m bills on offer attracted bids of £753,535m against £245,440m a week before. Next week a further £300m will be on offer replacing a similar amount of maturities. There was a full supply of credit in yesterday's money market, and the authorities did not intervene. The balance carried forward will no doubt be of value, since Monday promises to be rather a short day. The only factor of any note affecting the market was the surplus of funds brought forward by banks. Discount houses were paying around 10 1/2 per cent for secured call loans and rates fell away towards the close to 4 1/2 per cent. In the interbank market, week-end money opened at 10 1/2-10 1/4 per cent and eased on the forecast 10-10 1/4 per cent soon after mid-day. Rates then fell away to 5 1/2 per cent and finally subsided to around 2 per cent. Rates in the table below are nominal in some cases.

THE POUND SPOT

Table showing the pound spot rate against various currencies, including US dollars, Canadian dollars, and others.

OTHER MARKETS

Table showing other market rates, including gold prices, silver prices, and various commodity prices.

LONDON MONEY RATES

Table showing London money rates for various currencies, including US dollars, Canadian dollars, and others.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies, including US dollars, Canadian dollars, and others.

U.K. CONVERTIBLE STOCKS 12/1/79

Table showing U.K. convertible stocks as of 12/1/79, listing various companies and their convertible stock details.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies, including US dollars, Canadian dollars, and others.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies, including US dollars, Canadian dollars, and others.

BUILDING SOCIETY RATES

Table showing building society rates for various societies, including Abbey National, Alliance, and others.

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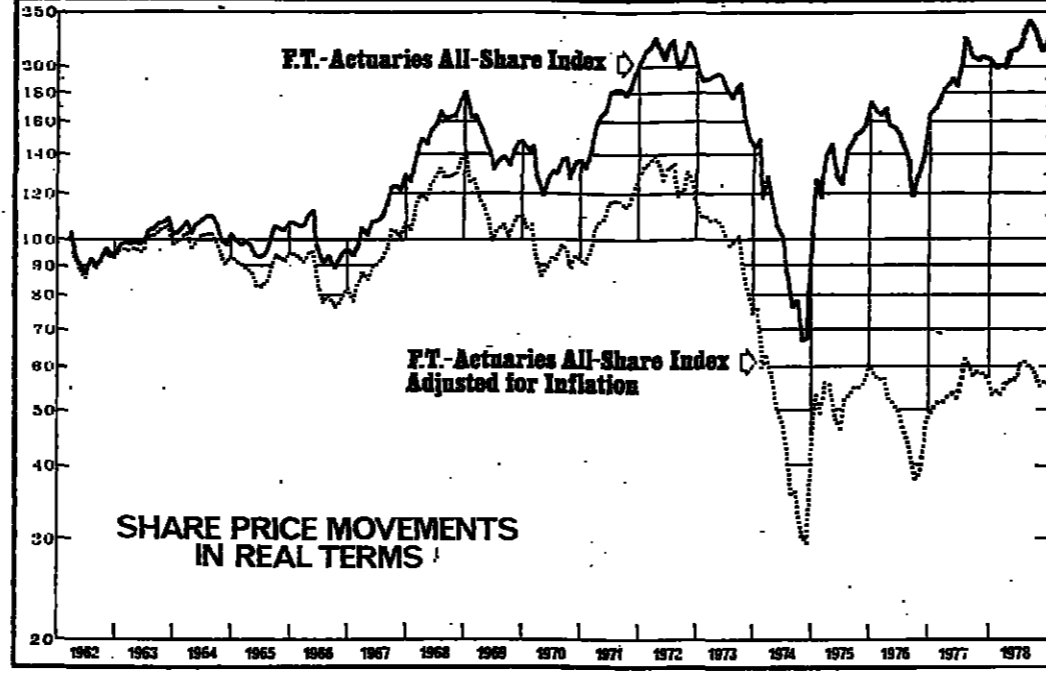
LONDON STOCK EXCHANGE

Markets stable on continued reluctance of sellers
Share index down 2.8 but net 3.8 up on account at 474.7

Account Dealing Dates
Opinion
First Declara- Last Account
Dealings (ions Dealings Day
Jan. 2 Jan. 11 Jan. 12 Jan. 23
Jan. 2 Jan. 25 Jan. 26 Feb. 6
Jan. 29 Feb. 8 Feb. 9 Feb. 20
...
General concern about the widespread disruption facing industry with the road haulage strike being made official was emphasised yesterday by Courtaulds outlining the possibility of deterioration in business and an announcement of closure from last night of its UK tyre plants.

trend in shorts in the late deal-
ings, particularly in the vicinity
of the new stock; final quotations
registered losses ranging 1-4.
The latter maturities encountered
occasional support in the early
dealings but, after the initial
furry which took prices up by
around 1, little interest was
shown later and the trend here
was also to lower levels in
unofficial trading.
Firm conditions prevailed in
the investment currency market
as a good institutional demand
for Wall Street ahead of Monday's
Budget helped the premium
advance steadily to close 4 up
at 89 1/2 per cent. Yesterday's SE
conversion factor was 0.6966
(0.7035).

to various institutions. Plessey
finished 4 off at 111p, after 110p.
Samuelson Film Service added
4 to 134p, but still held a gain
on the week of 16, while Pleas-
ura firm 2 to 95p on fresh
consideration of the annual
results and property revaluation.
News that Dunlop has been
forced to close tyre manufactur-
ing plants due to raw material
shortages clipped 2 from the
shares which finished at a 1978-79
low of 62p.
Irish concern Independent rose
5 to 215p after the good pre-
liminary figures and proposed



SHARE PRICE MOVEMENTS IN REAL TERMS

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government Sec., Fixed Interest, Industrial, Gold Mines, etc. and rows for Jan 12, Jan 11, Jan 10, Jan 9, Jan 8, Jan 7, Jan 6, Jan 5, Jan 4, Jan 3, Jan 2, Jan 1, A year ago.

HIGHS AND LOWS S.E. ACTIVITY
Table with columns for High, Low, High, Low and rows for Govt Sec., Fixed Int., Ind. Ord., Gold Mines, etc.

NEW HIGHS AND LOWS FOR 1978/9
Table listing new highs and lows for various sectors like Govt Sec., Fixed Int., Ind. Ord., Gold Mines, etc.

OPTIONS
Table with columns for DEALING DATES, Last Deal, Last Decla, Last Settle, etc.

RISES AND FALLS
Table with columns for Yesterday, On the week, Up, Down, etc. and rows for British Funds, Corpns. Dom. & Foreign, etc.

ACTIVE STOCKS
Table with columns for Stock, Denomina, Closing price, Change, 1978-79, 1977-79. Lists various stocks like BP, ICI, U.D.T., etc.

LONDON TRADED OPTIONS
Table with columns for Option, Ex'c'se, Closing offer, Vol., Closing offer, Vol., Equity close. Lists options for various stocks.

FT-ACTUARIES SHARE INDICES
Table with columns for Index No., Day's Change, etc. and rows for various equity groups and sub-sections.

ON THE WEEK
Table with columns for Stock, Denomina, Closing price, Change, 1978-79, 1977-79. Lists stocks like Barclays Bank, Guthrie's Corp., etc.

RECENT ISSUES
Table with columns for Issue Price, Amount, etc. and rows for various financial issues.

FIXED INTEREST STOCKS
Table with columns for Issue Price, Amount, etc. and rows for various fixed interest securities.

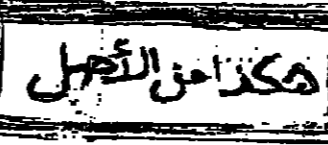
BASE LENDING RATES
Table with columns for Bank, Rate, etc. and rows for various banks and their lending rates.

"RIGHTS" OFFERS
Table with columns for Issue Price, Amount, etc. and rows for various rights offers.

FIXED INTEREST PRICE INDICES
Table with columns for Index No., Day's Change, etc. and rows for various fixed interest price indices.



AUTHORISED UNIT TRUSTS



OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts (left column), listing various funds like Abbey Unit Tr. Mgrs., Allied Nations Group, and others with their respective details.

Table of Authorised Unit Trusts (middle column), listing funds such as British Overseas Investment, British Overseas Property, and others.

Table of Authorised Unit Trusts (right column), listing funds like British Overseas Investment, British Overseas Property, and others.

Table of Offshore and Overseas Funds, listing various international investment funds like Alexander Fund, Agha Khan Fund, and others.

INSURANCE AND PROPERTY BONDS

Table of Insurance and Property Bonds (left column), listing companies like Abbey Life Assurance Co. Ltd., Crown Life Assurance Co. Ltd., and others.

Table of Insurance and Property Bonds (middle column), listing companies like Lloyds Life Assurance, Royal Insurance Group, and others.

Table of Insurance and Property Bonds (right column), listing companies like Schroeder Life Group, Fidelity Management & Research, and others.

CORAL INDEX: Close 472.477

Table titled 'INSURANCE BASE RATES' showing rates for Property Growth and Withheld Guaranteed.

NOTES section containing various financial notes and disclaimers regarding the data presented in the tables.



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

Table listing various food and grocery items with columns for stock, price, and change.

BONDS & RAILS—Cont.

Table listing bond and rail securities with columns for stock, price, and yield.

BANKS & HP—Continued

Table listing bank and hire purchase companies with columns for stock, price, and yield.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies with columns for stock, price, and yield.

ENGINEERING—Continued

Table listing engineering companies with columns for stock, price, and yield.

HOTELS AND CATERERS

Table listing hotels and caterers with columns for stock, price, and yield.

INDUSTRIALS (Miscel.)

Table listing various industrial companies with columns for stock, price, and yield.

DRAPERY AND STORES

Table listing drapery and store companies with columns for stock, price, and yield.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies with columns for stock, price, and yield.

BUILDING INDUSTRY

Table listing building industry companies with columns for stock, price, and yield.

ELECTRICAL AND RADIO

Table listing electrical and radio companies with columns for stock, price, and yield.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other items with columns for stock, price, and yield.

MACHINE TOOLS

Table listing machine tool companies with columns for stock, price, and yield.

CHEMICALS, PLASTICS

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BRITISH FUNDS

Table listing British funds with columns for stock, price, and yield.

AMERICANS

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Five to Fifteen Years

Table listing funds with a 5-15 year maturity with columns for stock, price, and yield.

Over Fifteen Years

Table listing funds with a maturity over 15 years with columns for stock, price, and yield.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like ICI, Shell, and British Petroleum, with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity and Commercial Union Assurance, with columns for stock price, price change, and volume.

PROPERTY—Continued

Table of property stocks including companies like British Land and Guinness, with columns for stock price, price change, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Venture and British Venture, with columns for stock price, price change, and volume.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-Italian and Anglo-Italian, with columns for stock price, price change, and volume.

Wall Street U.K. Equities U.K. Gilts. For our latest views and PIMS reports write to R.K. Timberlake, 19 Hanover Square, London W1A 1DU.

MINES—Continued

Table of Australian mines including companies like Anglo-American and Anglo-American, with columns for stock price, price change, and volume.

TINS

Table of tin stocks including companies like Anglo-Tin and Anglo-Tin, with columns for stock price, price change, and volume.

COPPER

Table of copper stocks including companies like Anglo-Copper and Anglo-Copper, with columns for stock price, price change, and volume.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Misc and Anglo-Misc, with columns for stock price, price change, and volume.

NOTES

Notes section containing various financial notices and announcements regarding stock prices and company news.

REGIONAL MARKETS

Table of regional market data including stock prices and indices for various regions.

OPTIONS

Table of options data including call rates and other financial instruments.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Rover and BSA, with columns for stock price, price change, and volume.

SHIPBUILDERS, REPAIRERS

Table of shipbuilders and repairers stocks including companies like Harland and Wolff, with columns for stock price, price change, and volume.

SHIPPING

Table of shipping stocks including companies like P&O and Cunard, with columns for stock price, price change, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Clarks and Clarks, with columns for stock price, price change, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-American and Anglo-American, with columns for stock price, price change, and volume.

TEXTILES

Table of textile stocks including companies like J. & F. Wright and J. & F. Wright, with columns for stock price, price change, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International and News International, with columns for stock price, price change, and volume.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like News International and News International, with columns for stock price, price change, and volume.

PROPERTY

Table of property stocks including companies like British Land and Guinness, with columns for stock price, price change, and volume.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco and British American Tobacco, with columns for stock price, price change, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Venture and British Venture, with columns for stock price, price change, and volume.

OILS

Table of oil stocks including companies like Anglo-Italian and Anglo-Italian, with columns for stock price, price change, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo-Overseas and Anglo-Overseas, with columns for stock price, price change, and volume.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-Rubber and Anglo-Rubber, with columns for stock price, price change, and volume.

TEAS

Table of tea stocks including companies like Anglo-Tea and Anglo-Tea, with columns for stock price, price change, and volume.

MINES

Table of mine stocks including companies like Anglo-Mine and Anglo-Mine, with columns for stock price, price change, and volume.

CENTRAL RAND

Table of central rand stocks including companies like Anglo-Central and Anglo-Central, with columns for stock price, price change, and volume.

EASTERN RAND

Table of eastern rand stocks including companies like Anglo-Eastern and Anglo-Eastern, with columns for stock price, price change, and volume.

W. FAR WEST RAND

Table of western far west rand stocks including companies like Anglo-Western and Anglo-Western, with columns for stock price, price change, and volume.

O.F.S.

Table of O.F.S. stocks including companies like Anglo-O.F.S. and Anglo-O.F.S., with columns for stock price, price change, and volume.

FINANCE

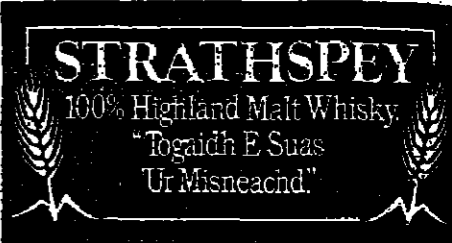
Table of finance stocks including companies like Anglo-Finance and Anglo-Finance, with columns for stock price, price change, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Diamond and Anglo-Diamond, with columns for stock price, price change, and volume.

CENTRAL AFRICAN

Table of central African stocks including companies like Anglo-Central and Anglo-Central, with columns for stock price, price change, and volume.



THE LEX COLUMN

Thorn prepares to switch off

Index fell 2.8 to 4747

With most of British industry threatening to grind to a halt next week, Thorn's share price was one of the few not to be affected by the gloom last night.

because it has already benefited from its heavy early depreciation policy. More important, the profits from its rental operations are diluted by the less profitable parts of both the UK and overseas business.

So far there are few signs that Thorn's non-TV rental operations can produce substantial profit growth in the 1980s. But this could change. The group has rationalised its TV production facilities and should be well placed to benefit from the upsurge in demand expected in the early 1980s—especially since well over half its output goes into its captive outlets. The shares are selling on 8 1/2 times prospective earnings and yield around 5 1/2 per cent.

Tap stock

It might have seemed unnecessary, given that the official funding programme is supposedly not in difficulties and that the short end of the gilt market is hardly in danger of running out of control, for the authorities to bring out a tap stock. The new tranche of Treasury 12 per cent 1983 was received as an unwelcome burden and prices of short-dated stocks fell back to leave the new issue a quarter point above the market.

The Government Broker seems anxious to reabsorb the banking sector's proceeds from the 11 1/2 per cent 1978 stock which matures in March; whether the banks will be keen to buy a four-year gilt rather than, say, a 1981 stock is another matter. The new tranche is not primarily a funding instrument, although it might be interesting for adventurous institutional money. It would certainly stop short gilt yields from falling in the near term, although that would anyway be an unlikely enough event as things stand. Some analysts were putting a brave face on things yesterday and

concluding that a new tap of this level—and with a coupon lower than the recently exhausted 1983 tap—would not have been brought out if the authorities expected to have to raise interest rates. The gilt market ended the week looking apprehensive and rather vulnerable, that it has not fallen more steeply may reflect the high level of institutional liquidity. Equities have traded in a 25-point range for 40 weeks and could perhaps be looking to gifts for a lead.

Dividend cover

Loud protests have been heard this week from M and G Group (Holdings), the public company which manages M and G's retail group. The group believed that under the new cover rule it was entitled to raise its dividend by more than two-fifths in respect of the year ended last September. But the Treasury clamped down and refused to let the payment go up by more than the standard ten per cent. The dispute centres around the calculation of dividend cover, and it looks as though many more companies could have similar problems.

The Treasury says that cover is profits after actual tax divided by the net dividend. But this is only right if a company operates only in the UK and pays a full 52 per cent tax charge. The F.T.'s definition of cover is slightly more complex, taking into account the corporation tax divided by the gross dividend.

If a company pays little UK corporation tax it would incur extra advance corporation tax were it to pay a high dividend. This notional extra ACT is not allowed for by the Treasury. M and G's problem appears to be partly that back in the previous year's cover year of 1977/78 it had a low tax charge, but that has been much higher in 1977/78. So on the Treasury's figuring, cover has improved much less than on the more realistic basis.

President axes U.S. Harrier funds

By David Buchan in Washington

PRESIDENT CARTER has eliminated from the 1979-80 budget that he is to unveil in 10 days' time some \$200m which the U.S. Marine Corps had sought for the continued development of a U.S.-built version of the British-designed Harrier Jump Jet. The move could cause serious friction between the U.S. and the U.K.

The cut, one of many across a broad range in and out of the defence field, is aimed at curbing next year's budget deficit and has the apparent endorsement of Mr. Harold Brown, the Defence Secretary.

His Department spokesman would not comment yesterday, but British sources confirmed that the Harrier funds had been knocked out of the new budget.

The \$200m originally proposed would have gone to finish off the two improved AV8B prototypes just being completed and to build four development models. Once that was done, a definitive decision on actual production could have taken place.

Congress may, however, restore the eliminated development funds later this year, as it restored \$165m to Harrier research and development funds in the 1978-79 defence budget, after the Administration had proposed cuts.

Consequences

If Congress does not do this, there will be important operational consequences for the U.S. Marine Corps, which has been hoping to get 334 of the AV8B version of the Harrier to be built in the U.S. by McDonnell-Douglas, and economic effects for the British aircraft industry, which had been due to get \$12m in work out of a \$58m McDonnell-Douglas contract.

Rolls-Royce is due to sell the same Pegasus aero-engines for the AV8B version that it supplied for the earlier version of the Harrier, the AV8A, of which the U.S. Marine Corps bought 110 outright from Britain a few years ago.

In addition, much of the design and airframe work for the AV8B Harrier is to be carried out by British Aerospace at its Kingston plant.

Efforts will undoubtedly be made by Britain to get President Carter to change his mind before he announces his budget on January 23. But his proposal to put a temporary halt to an improved Harrier model, which will have double the range/payload of the existing version, has some support inside the Defence Department from those who argue that the Marine Corps is awarding too much of the close air support role to itself, and not enough to the Navy.

Inflation rate again shows slight rise

BY DAVID FREUD

THE UNDERLYING rate of inflation edged up in December for the second consecutive month—but ended last year broadly in line with Government predictions.

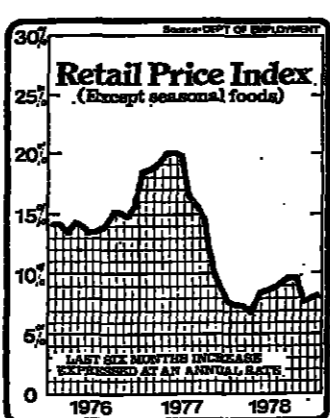
The next figures—up to mid-January—are likely to show an increase in the 12-month rate because of the cold weather, the lorry drivers' dispute and the annual seasonal bunching of price rises at the beginning of the year.

In spite of this, there is still no sign of any significant acceleration in the underlying rate. The 12-month rate of increase should therefore remain in single figures for some months.

The Department of Employment announced yesterday that the retail price index increased by 8.4 per cent in the year to mid-December to 204.2 (January 1974=100).

This is a slight increase on the rise of 8.1 per cent in the year to mid-November and a full percentage point above the lowest figure of last year—7.4 per cent, registered in June.

In his Budget speech in April, the Chancellor said the



rate would fall to near 7 per cent and remain there for the rest of the year.

In the month to mid-December the index rose 0.5 per cent. About a third of the increase was due to the rise in interest rates charged by building societies on mortgages.

Increases in motoring costs, fresh vegetables, carpets, glassware and the TV licence fee also contributed to the overall rise. Electricity bill reductions, due to the electricity discount

scheme, partly offset these rises. The best guide to the underlying rate of inflation is provided by the index for all items except seasonal food measured over six months expressed as an annual rate. This stood at 8.2 per cent in mid-December, compared with 8 per cent in the previous month.

Price increases that will be picked up in the next index include the increase in rail fares and rises in petrol prices caused by the shortages during the tanker drivers' dispute.

The impact of the remaining building societies putting up their mortgage interest rates will add about 0.3 per cent to the all-items index in January.

The effect of the cold weather on vegetable prices and increases in food prices as the lorry drivers' dispute causes shortages will tend to raise the index. However, price-cutting in the January sales is likely to offset some of the rise.

Future movements in the index will depend on the level of pay awards as well as the level of sterling and world commodity prices.

Capsized Brazilian oil platform located

By Kevin Done, Energy Correspondent

THE BRAZILIAN oil production platform, which capsized and sank on Thursday night in a Force 10 North Sea storm, has been found about 29 miles east of Hartlepool.

The 6,000-ton steel platform jacket was being towed from a construction yard in Scotland to an oil field off the coast of Brazil when it capsized and sank in 40-50 foot seas.

It is now partially grounded on the seabed in about 200 feet of water with a section of the superstructure above the surface.

The platform is insured for nearly £11m. About three-quarters of the risk is carried by Lloyd's underwriters in London and the remainder is held in the U.S.

The jacket, which is 575 feet high, was built by J. Ray McDermott, the U.S. company, at Ardara, near Inverness. It was ordered in December, 1976, by Petrobras, the Brazilian state oil company, for the Namorado Field in the Campos Basin.

Disaster

The 6,300-ton tow, which was being carried out by Oceanic Contractors, a McDermott subsidiary, started on Tuesday. But the platform, mounted on a steel barge, had reached only the North Sea off Teesside, when disaster struck.

In a heavy gale, the line to one of the two tugs towing the platform broke and the second line began to fray. The tugs tried to guide the platform into the more sheltered waters near Flamborough Head, but the barge capsized in the storm.

The barge was later recovered, and was being towed north last night. The sea conditions were too bad yesterday to make any assessment of damage to the platform. It was not known whether it could be recovered.

The accident is a big blow to Petrobras, which is under pressure to develop Brazil's offshore oil resources, to reduce the country's oil import bill.

The tow should have taken about 45 days and was already long overdue. The construction of the platform was held up by an eight-week strike at the beginning of last year, but it was finally due to be floated out in November. It was then held up by mechanical problems on one of the tugs and by the weather conditions.

Breakthrough

The platform order from Brazil was a big breakthrough for the UK offshore supplies industry, which has been hoping to repeat export orders for offshore fields from Brazil, Venezuela and Mexico.

There have been several accidents involving drilling rigs off the coast of the UK, but this is only the second time that a production platform has capsized and sunk on the tow to a field.

The first accident involved a drilling and production platform which sank a couple of miles from its location in the Frigg Field in October, 1974. That platform has never been removed.

Pound under \$2 after pressure

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING came under pressure in foreign exchange markets yesterday, closing in London at under \$2.00 for the first time in more than three weeks.

The pound fell by nearly 2 cents at one stage yesterday in distinctly unsettled conditions following overnight weakness in New York. But the rate rallied to finish half a cent down on the day at \$1.9960. The trade-weighted index ended 0.1 down at 63.3 after a low of 63.1.

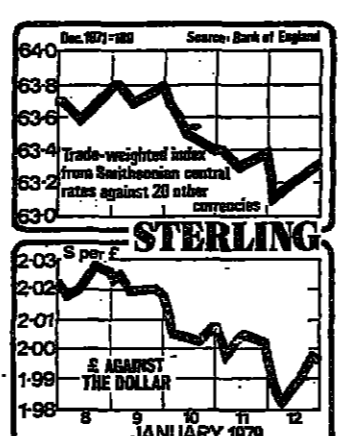
Dealers reported clear signs of Bank of England intervention to check the decline, though, as earlier in the week, support seems to have been on a fairly limited scale.

The pressure on sterling is hardly surprising in view of the seriousness of the industrial position; indeed it is arguable that in the circumstances the rate has held up better than might have been expected.

Nevertheless at yesterday morning's low point the trade-weighted index had fallen by 1.1 per cent since Monday evening and sterling had dropped by 2.3 per cent against the dollar. But so far the fall has only cancelled out an earlier strength of the last month.

The Government maintained its gilt-edged sale programme yesterday with the issue of a short-dated tap stock, a further £750m tranche of 12 per cent Treasury 1983. This follows the exhaustion of the medium-dated tap 12 1/2 per cent Exchequer 1983 on Tuesday.

The authorities' decision to issue a slightly shorter dated



tap partly reflects the hope that there will be some reinvestment demand for stock with this maturity date from holders of the 11 1/2 per cent Treasury 1979 which is redeemed on March 9.

An unusual feature of the new stock is that it includes provision for exemption from UK taxes for non-resident holders and can be held in bearer form. This has not been allowed since March 1977 but an exception has been made since the new stock is a further tranche of an existing loan, and so the terms are unchanged.

The list of applications will open and close next Wednesday and the price is £97.25 per £100 nominal, payable in full. Apart from the £750m being offered to the public, a further £200m has been reserved for the National Debt Commissioners for public funds under their management.

Continued from Page 1

Pickets curb agreed

By raising the idea of a code, Mr. Callaghan almost took the words out of the mouth of Mr. James Prior, Conservative employment spokesman.

In a speech in which he generally endorsed his leader's proposals for union reform, Mr. Prior said the Conservative Party had always believed that the changes made by the Government to legalise secondary picketing would contribute to industrial unrest. The Conservatives would consider the whole question again.

The Government was yesterday receiving hourly reports from the regional emergency committees set up around the country and the chairmen of the eight English committees will be in London for a meeting with Mr. Rodgers tomorrow.

Mr. Rodgers is expected to make a statement in the Commons on Monday and the Conservatives are to put down a motion of censure for debate on Tuesday.

The motion is likely to relate specifically to the Government's handling of the present dispute and will be aimed at attracting maximum support from minority parties.

The signs yesterday were that the Government would survive provided it manages to get all its supporters to the House in spite of Tuesday's threatened rail strike.

Mr. George Newman, director-general of the Road Haulage Association, reiterated that official union backing for the strike would have no impact in moving the employers from

their 15 per cent offer. In "an already fragmented and grossly over-priced industry" members could not afford it and there was the threat of the Government retaliating on road haulage charges.

However, he hinted that discussions on productivity might be possible and said it was un-

fortunate that the unions had refused to embark on such talks.

He warned that if the strike were prolonged many hauliers would face serious hardship and even bankruptcy in some cases.

Last night the Confederation of British Industry urged road hauliers not to raise their offer.

Weather

UK TODAY SUNNY SPELLS and wintry showers. Fog in places. London, Midlands, Cent. S. and NW England, Lakes Fog early. Sunny spells. Max. 2-4C (36-39F).

Table with columns for location, Y day, and M day, listing weather conditions for various cities like Amsterdam, Berlin, London, etc.

Eastern England, S. Scotland Sunny spells, snow showers. Max. 2-4C (36-39F).

Channel Is., West Country, Wales, I. of Man Sunny spells, wintry showers. Max. 1-3C (30-36F).

Most of Scotland, Ulster Fog, sunny spells and snow showers. Max. -1-2C (30-36F).

Table with columns for location, Y day, and M day, listing holiday resorts like Ajaccio, Biarritz, Blackpool, etc.

Top performing U.K. trust-1978

Schlesinger Special Situations Trust- up 32.7% in 1978

This trust was the top performing U.K. invested unit trust in 1978. (Source: Planned Savings), showing a rise of 32.7% compared with a rise of 2.8% in the F.T. Actuaries All-Share Index. Since the launch in November 1977 the unit price has risen 44.4% and the All-Share Index 8.8%.

Growth opportunity

"Special Situations" can often offer excellent investment opportunities, particularly in a rising stockmarket. The trust invests in the different types of "Special Situations" listed below, many of them smaller companies, and is aggressively managed for capital gain. The portfolio is currently invested in 29 stocks including:

Recovery stocks - Companies whose stockmarket rating has overreacted to disappointing results or a difficult background.

High yield stocks - including situations where there is the potential for a re-rating.

Asset situations - where asset values are not properly reflected in share prices.

Bid situations - particularly stocks which for various reasons stand at a discount to the bid price.

The investments will be carefully selected after drawing on Schlesinger's own research and on the specialist research knowledge of many London and Regional stockbrokers.

Schlesinger's recommendation

Whilst this concentrated fund offers scope for superior capital performance, it is likely to be more volatile than the market. Investors should bear this in mind when deciding what proportion of their portfolio to invest in the trust.

Distributions will be made on 18th May and 18th November and the estimated gross yield on the current offer price of 36.1p is 2.05%. Any investment should be regarded as long-term.

Remember that the price of units and the income from them may go down as well as up.

PIMS - a unique service

Minimum investment in the fund is £500. Investors of £2,500 or more receive Schlesinger's Personal Investment Management Service (PIMS), including portfolio reports, invitations to meetings, and investment and financial planning advice if required.

Schlesinger manage over £100 million of private, institutional, and pension funds.

General Information: To invest, use the form provided. Contract notes will be sent by return and certified by the Trustee. The Unit Price and yield published daily in leading newspapers. To Sell units, submit return your certificate appropriately endorsed on the back - provided it is normally received within 2 days of our receiving the renounced certificate. Changes: An initial charge of 5% is included in the offer price. A charge of an average rate of 1% (plus VAT) of the value of the fund is deducted from the amount invested towards administration expenses. Commission of 1% will be paid to recognised agents. Trustees: Midlands Bank & Trust Company Ltd. Auditors: Price Waterhouse & Co. Chartered Accountants. Registered Office: 10 Broad Street, London W1P 3JF. Registered in England No. 25289. Members of the Unit Trust Association. This offer is not available to residents of the Republic of Ireland.



Schlesinger Special Situations Trust advertisement including contact information, investment details, and a form for investors.

